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ABSTRACT

These texts are part of a continuing series on current and historical international issues, placing special emphasis on the importance of educating students in their participatory role as citizens. They evaluate the U.S. relationship with poor countries, particularly the effectiveness of foreign aid, trade benefits, and other economic levers; and question the prospects for exporting the U.S. values of democracy, free enterprise, and human rights. The core of the unit is a framework of three distinct options for U.S. policy toward developing countries. By exploring a wide-ranging spectrum of alternatives, the texts hope students will gain a deeper understanding of the values underlying specific policy recommendations. The background reading is intended to prepare students to thoughtfully consider the complexities of U.S. relations toward the developing world. Part 1 presents an overview of the goals, assumptions, and programs that set the tone of U.S. foreign aid during the Cold War. Part 2 summarizes the critical issues of U.S. development policy. Part 3 examines the country's connections to sub-Saharan Africa, Latin America, and Southeast Asia. The teacher's resource book includes a five-day lesson plan. (BB)

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Help, Handout, or Hindrance:
U.S. Support for the Developing World.
Public Debate in the Classroom.
Choices for the 21st Century Education Project.
[Student Guidebook]
Teacher's Resource Book

Fullerton, Fred. Ed.

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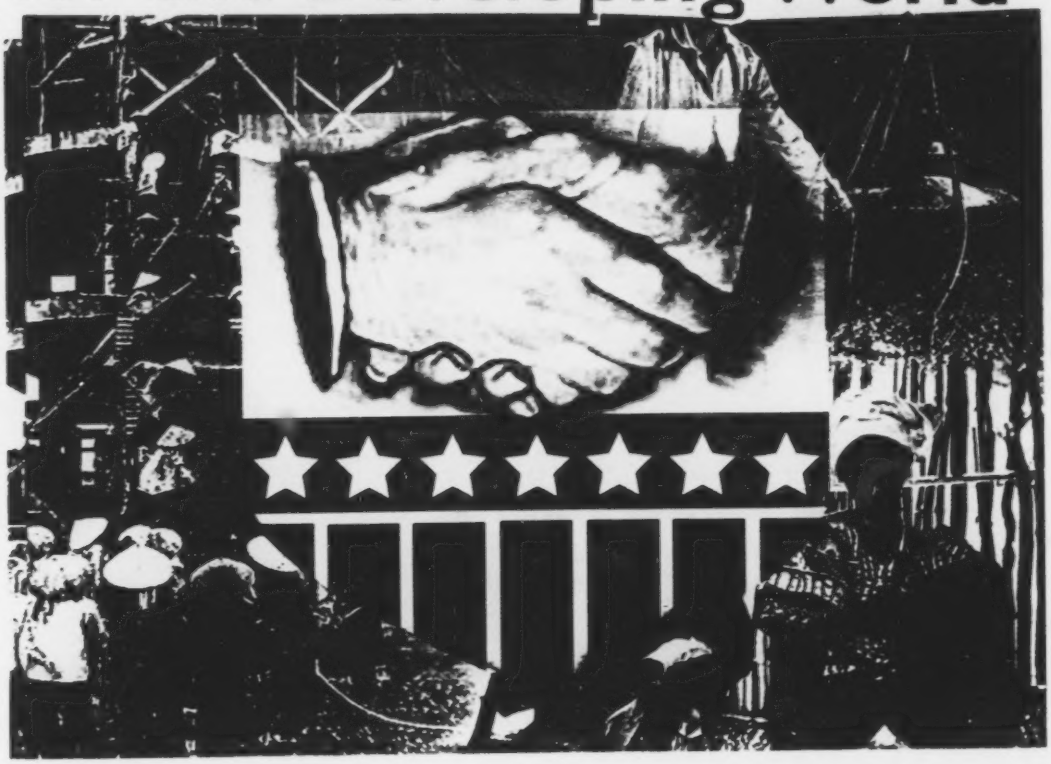

PUBLIC POLICY DEBATE IN THE CLASSROOM

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Thomas J. Biersteker, *Director, Watson Institute*

Vikram Chand, *Post-Doctoral Fellow, Watson Institute*

Neta Crawford, *Post-Doctoral Fellow, Watson Institute*

Thomas Marchione, *Visiting Associate Professor, World Hunger Program, Watson Institute*

Michael Spagat, *Assistant Professor of Economics, Brown University*

Peter Uvin, *Assistant Director of Academic Affairs, Watson Institute*

Robert Wade, *Professor of Political Science, Brown University*

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Help, Handout, or Hindrance: U.S. Support for the Developing World is part of a continuing series on public policy issues. New units are published each academic year, and all units are updated regularly. We are grateful to The Pew Charitable Trusts, for without their financial support the series would not have come to fruition.

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CHOICES

for the 21st Century Education Project
October 1998

Director
Susan Graseck

Curriculum Developer
Mark Malkasian

Coordinator of Public Programs
Megan Secatore

Program Associates
Lucy Mueller

Staff Associate
Anne Campau Prout

Office Assistant
Cynthia Manzotti

Research Associates
Don Bakker
Patricia Keenan-Byrne

The Choices for the 21st Century Education Project develops curricula on current and historical international issues and offers workshops, institutes, and in-service programs for high school teachers. Course materials place special emphasis on the importance of educating students in their participatory role as citizens.

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Thomas J. Biersteker
Director

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The Choices for the 21st Century Education Project is a program of the Thomas J. Watson Jr. Institute for International Studies at Brown University. Choices was established to help citizens think constructively about foreign policy issues, to improve participatory citizenship skills, and to encourage public judgment on policy priorities.

The Thomas J. Watson Jr. Institute for International Studies was established at Brown University in 1986 to serve as a forum for students, faculty, visiting scholars, and policy practitioners, who are committed to studying global problems and developing international initiatives to benefit society.

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Part I: The Evolution of U.S. Foreign Aid

In 1998, President Bill Clinton visited six African countries. In the course of his twelve-day tour, the president made stops at schools, wildlife reserves, and even an old outpost of the slave trade. What was most remarkable about Clinton's trip, however, was its place in history.

Clinton became only the second U.S. president to make an official visit to sub-Saharan Africa (the countries of the continent that do not border the Mediterranean). His presence highlighted America's general neglect of the more than 150 poor countries in Asia, Africa, and Latin America that together make up what is known as the "developing world."

Americans are accustomed to seeing U.S. leaders meet with their counterparts from other wealthy nations, such as Western Europe, Japan, and Canada. Russia, China, Mexico, and the Middle East are also at the top of the U.S. foreign policy agenda. However, most nations of the developing world rarely command America's attention.

The imbalance is all the more striking in light of the significance of the developing world. Over four-fifths of the world's 5.9 billion people live in developing countries. Together, they account for nearly half of the world's economic output. America's economic ties to developing nations are steadily growing through trade and investment. In coming decades, the developing world's impact on the planet is sure to expand as we are confronted with threats posed by environmental pollution, the spread of nuclear weapons, overpopulation, and other problems.

And yet, U.S. leaders have fewer levers at their disposal to influence the direction of poor countries. From a peak of $26 billion in 1985, America's foreign aid spending has declined sharply in the 1990s. In 1998, $7.7 billion was spent on international economic assistance and humanitarian relief, out of a total budget of $1.668 trillion. An additional $6 billion went toward military and security aid abroad.

Until recently, the hope was that a healthy increase in international trade and foreign investment would eventually allow poor societies to escape poverty and eliminate the need for aid altogether. The rapid progress of Southeast Asian economies, such as those of Thailand and Malaysia, seemed to justify the optimism.

Beginning in mid-1997, however, the same Southeast Asia countries that were hailed as rising stars were shaken by financial crisis. Within a year, the crisis had choked off foreign investment throughout almost the entire developing world and threatened to tip the global economy into recession.

For U.S. policymakers, especially those involved with developing countries, the crisis has cast doubt on long-held beliefs and assumptions. Many of the economies that they had held up as models for other poor nations are now themselves in shambles. Moreover, there is little agreement on how the United States should respond to the crisis and address the growing needs of the developing world.

Rethinking international relations

It was not so long ago that America's mission in the developing world appeared much more clear-cut. From the late 1940s until the late 1980s, most Americans saw the world as divided into two camps. On one side were the United States and its allies. On the other side were the Soviet Union and the other states of the communist bloc. The so-called "Third World" consisted of the poor nations of Asia, Africa, and Latin America that were not closely aligned with one of the superpowers.

U.S. foreign aid was viewed mainly as a tool for containing the spread of communism. The United States provided assistance, including billions of dollars of weapons and military training, to win over Third World leaders in our country's Cold War struggle against the Soviet Union.

Since the collapse of the Soviet Union in 1991, the old divisions of international relations have broken down. (Indeed, most of the fifteen countries that made up the Soviet Union are themselves now included in the developing world.) As never before, the United States seems to be in a position to extend American influence in the developing world. With the appeal of communism all but forgotten, opposition to American

political values and economic principles has lost its moorings. More countries than ever are eager to welcome U.S. economic assistance and foreign investment.

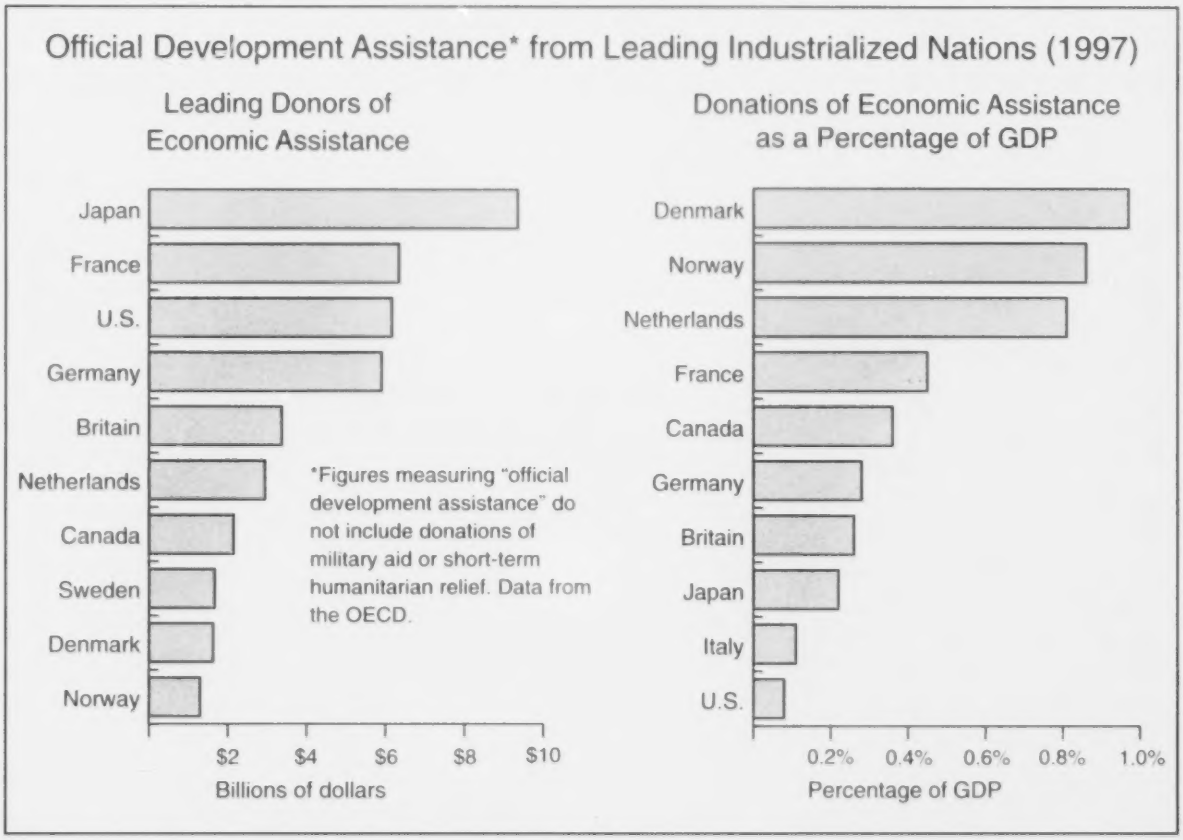
Americans, however, have been reluctant to accept new responsibilities abroad. Our country's Cold War resolve has given way to concerns that are closer to home. The vastness and diversity of the developing world has also clouded our perceptions. Some see the developing world as a bottomless pit of problems, while others think more in terms of economic competition and opportunity.

There is also little consensus on the meaning of foreign aid. Almost all Americans are ready to offer emergency relief in response to famines and natural disasters. There is much less agreement, however, on how, or even if, U.S. policy can contribute to long-term development in poor countries.

In this unit, you will take a fresh look at our country's role in the developing world and, in particular, at the direction of U.S. foreign aid and trade policy. The background reading has been designed to help you reach your own conclusions. Part I presents an overview of the priorities and programs that set the tone of U.S. policy toward the developing world during the Cold War. Part II identifies the primary areas of controversy today. Part III examines America's present connections to Africa, Latin America, and Southeast Asia today.

The Marshall Plan

The greatest success of U.S. foreign aid came in the years after World War II — well before the developing world was clearly defined. At the time, the United States was the world's unrivaled superpower. Our country generated about half the world's income (compared to slightly over one-fifth today) and recorded substantial trade surpluses (in contrast to our trade deficit of $110 billion in 1997).



International events, however, gave Americans little time to recover from the trials of World War II. In Western Europe, America's leading trading partners had been devastated and bankrupted by the war. Hunger and unemployment were widespread. President Harry Truman and his advisors feared that Europeans would be unable to buy American goods, and that the international trading system would collapse as a result. Fresh in their minds was the Great Depression of the 1930s. U.S. policymakers believed that a decline in trade had deepened the economic downturn. They were determined to prevent a repeat of history.

Meanwhile, political considerations were gaining increasing importance. The United States and the Soviet Union had worked together to defeat Nazi Germany during the war, but their alliance began to crumble soon after Germany's surrender. Despite losing 27 million people in World War II, the Soviets emerged from the fighting stronger than ever. Their army occupied much of Eastern Europe, and support for communism was high among voters in Italy and France. U.S. leaders were concerned that poverty and despair would give communism a foothold in Western Europe.

In response, the United States in 1948 launched the European Recovery Program. Better known as the Marshall Plan (after U.S. Secretary of State George C. Marshall), the aid program was designed to rebuild the economies of Western Europe.

From 1948 to 1952, the United States provided $12.5 billion (equivalent to about $87 billion in 1998 dollars) in aid to sixteen participating nations. Nearly 6 percent of the U.S. budget at the time was devoted to the Marshall Plan.

The Marshall Plan functioned as a partnership. At the outset of the program, each European country submitted a four-year plan for reviving its economy. Americans administering the Marshall Plan acted almost as bankers. They invested in projects that were most likely to increase industrial and agricultural production. As U.S. leaders had intended, much of the money was spent on American goods.

By 1952, most of Western Europe was on the path to economic recovery. Industrial production rose to more than 35 percent above prewar levels and inflation was brought under control. Politically, the nations participating in the Marshall Plan joined the United States in an alliance to contain the spread of Soviet communism.

The success of the Marshall Plan was due in large part to the Western Europeans themselves. Even as they were clearing away the rubble of World War II, the people of Western Europe had a banking system, stock markets, an insurance industry, and other financial institutions essential to a free-market economy. They had also been world leaders in science and technology. The main ingredient missing for economic recovery was the investment supplied by the Marshall Plan.

Global Reach

By the time the Marshall Plan concluded, the Soviet threat had overshadowed the economic concerns of U.S. policymakers. With the outbreak of the Korean War in 1950, U.S. efforts to contain the Soviet Union broadened into a global mission. In Western Europe, the Marshall Plan gave way to the Mutual Security Agency (MSA), which provided mostly military aid. Measured in dollars spent, MSA aid surpassed the cost of the Marshall Plan.

Outside of Western Europe, U.S. commitments grew rapidly. New military alliances were forged in East Asia, the Middle East, and Latin America. For the first time in history, thousands of U.S. troops were stationed overseas.

Wherever foreign policy interests led the United States, U.S. aid soon followed. During the 1950s, large-scale assistance programs were launched in South Korea, Taiwan, Vietnam, and Turkey — countries on the front line of U.S. efforts to contain communism. India and Pakistan were also viewed as pivotal countries in the Cold War and together received more than $3 billion in the 1950s. Even Yugoslavia, a communist nation, was given $1 billion because of its refusal to ally itself with the Soviet Union.

No other country or international organization — not even the United Nations (UN) — rivalled the United States in foreign aid spending. In 1956, for example, 63

percent of international economic assistance was given directly by the United States. In addition, America was by far the leading contributor to the World Bank, the International Monetary Fund (IMF), and the development programs administered by the UN.

America's spirit of self-confidence was affirmed in 1961 by several ambitious new foreign aid initiatives. The Alliance for Progress was founded to undercut the appeal of communism in Latin America. At the same time, the Peace Corps was created to send Americans, many of them just out of college, to poor countries. Over the next thirty years, more than 130,000 Peace Corps volunteers brought American skills and values to nearly 100 nations. Finally, the Agency for International Development was established to oversee U.S. economic assistance programs.

Halladay in *The Providence Journal*, January 11, 1948

"Use Enough Rope or None!"

The Agency for International Development (AID) quickly became an important force in developing countries. AID officials were hopeful that the success of the Marshall Plan could be duplicated in Asia, Africa, and Latin America. They helped the leaders of developing nations draft sweeping proposals for economic modernization. American aid went toward planning new roads and harbors, identifying natural resources, and mapping out broad strategies for industrial development.

> *Our enemy is poverty, despair, stagnation and the fear that only totalitarian methods can lift a poor agrarian society into sustained growth.*
>
> *—President John F. Kennedy*

U.S.-Soviet rivalry

The expansion of U.S. foreign aid in the early 1960s reflected the heightened competition of the Cold War. The economy of the Soviet Union grew steadily during the 1950s. By the early 1960s, Moscow was enlarging its own foreign aid programs in developing countries. At the time, many believed that the tide of history was on the side of the Soviets.

In Africa and Asia, the colonial empires ruled by Britain, France, and other European nations had begun crumbling after World War II. To guard their independence, most rulers in the Third World imposed state control over their economies. Special emphasis was placed on catching up with Europe and the United States by promoting heavy industries, such as steel and coal. Government planners were often put in charge of making crucial economic decisions and managing big factories.

Third World leaders were also eager to break their trade ties with the old colonial powers. They erected barriers to foreign trade and sought to produce within their own countries the products that they had long imported from Europe. Dozens of Third World nations, from India to Tanzania to Chile, closely followed the economic model of the Soviet Union.

Although the United States urged the Third

World to loosen government control and follow free-market policies, economic issues took a back seat to the priorities of the Cold War. U.S. officials were generally willing to overlook the corruption and mismanagement of American allies so long as they supported U.S. efforts to contain the Soviet Union.

Indeed, much of U.S. foreign aid during the Cold War was used to prop up anti-communist dictators. In the central African country of Zaire (present-day Congo), for example, U.S. foreign aid from 1964 to the end of the Cold War amounted to $1.2 billion. Almost all of it wound up in the hands of Zairian President Mobutu Sese Seko and his allies, who funneled tens of millions of dollars into foreign bank accounts while their country's system of roads and rails fell into disrepair. During that same period, the United States provided the Philippines with $3 billion in assistance. Ferdinand Marcos, ruler of the Philippines from 1965 to 1986, was the main beneficiary. Part of the money financed shopping sprees by Marcos' wife, Imelda, who often bought millions of dollars of jewelry, furniture, and clothing on trips to the United States.

Likewise, the Vietnam War tarnished the reputation of U.S. foreign aid in the eyes of many Americans. As the number of American troops in South Vietnam rose during the 1960s, so did the size of the U.S. aid program in the country. By 1966, South Vietnam was receiving 43 percent of the development grants administered by AID.

Middle Eastern focus

In addition to Southeast Asia, the Middle East was a primary focus of U.S. Cold War strategy. As early as the 1950s, the United States had supported Israel with substantial economic assistance. The U.S.-Israeli relationship took on added significance in the 1960s as the Soviets began to expand their influence in the region. Egypt and Syria, the Soviet Union's principal allies in the Middle East, led the Arab forces that fought against Israel in 1967 and 1973. Israel won both wars, and, in turn, was drawn closer to the United States. By the 1970s, Israel was the leading recipient of U.S. economic and military assistance.

U.S. foreign aid was also critical in achieving a diplomatic breakthrough in the region. In 1977, President Jimmy Carter brought together the leaders of Israel and Egypt for peace talks. American pledges of aid helped convince Egyptian President Anwar Sadat to accept a peace agreement. The price of peace, however, has not been cheap. Since 1977, Israel and Egypt have ranked as the top two recipients of U.S. foreign aid. In 1997, Israel will receive $3 billion and Egypt $2.1 billion from the United States, representing about 37 percent of the U.S. foreign aid budget.

In Afghanistan, U.S. foreign aid was used to fund war rather than peace. In 1979, the Soviet Union invaded its southern neighbor and placed a leader friendly to Moscow's policies in power. Afghan rebels resisted the Soviets with a fierce guerrilla campaign, often striking from base camps in Pakistan. The United States offered increased foreign aid to persuade the Pakistanis to support the Afghan cause. Throughout the 1980s, Pakistan ranked among the top five recipients of U.S. assistance.

Economic Shock Waves

In 1973, a sudden rise in oil prices shook the foundations of the global economy and changed the direction of U.S. foreign aid policy. The price hikes began as a result of the Arab-Israeli war in October 1973. To protest U.S. military aid to Israel, Arab states cut off oil shipments to the United States. The embargo convinced the oil producers that higher prices could be maintained if they limited production. During the 1970s, the strategy worked. Oil prices soared from as low as $1 a barrel at the beginning of the decade to over $30 a barrel by 1979.

The dramatic increase in oil prices injected sudden wealth into the economies of the leading oil-producing countries. Many of them, such as Saudi Arabia and Kuwait, were flooded with dollars. A large share of their profits was invested in the banks of the developed world, which, in turn, were anxious to lend the money out at high rates of return.

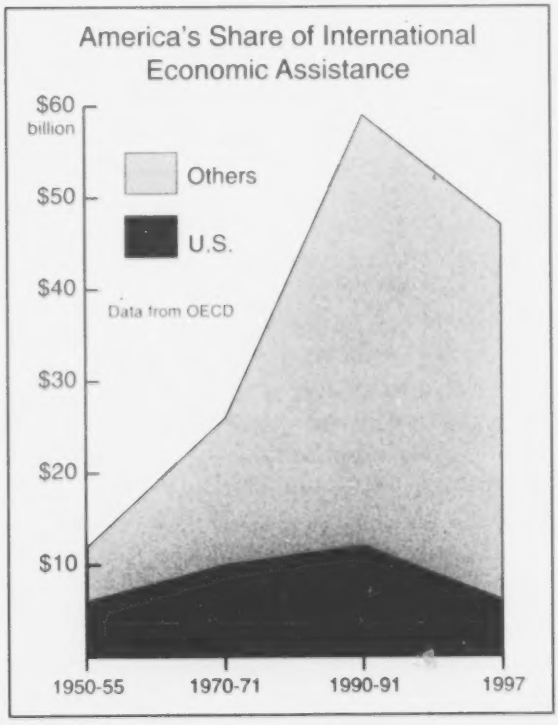
Meanwhile, the nations of the Third World that lacked oil were eager to borrow. They found themselves squeezed by the rising cost of energy and the falling values of their own currencies. During the 1970s, a cozy relationship existed between the bankers

of the developed world and the leaders of the developing world. The so-called "petrodollars" flowed from the oil-producing countries to the banks of the United States, Western Europe, and Japan, and from there to struggling nations of the Third World.

In the early 1980s, the rules of the global economic system underwent another sharp change. Leaders in the developed world took steps to reverse the inflation that had built up in the 1970s. Interest rates in the United States were hiked to cool the economy. A severe recession rippled throughout the globe. By the mid-1980s, energy prices began to drop as demand for oil slowed, contributing to lower inflation rates.

The mounting debt burden

The economies of the developed world gradually recovered from the shocks of the 1970s. In the developing world, however, the economic crisis deepened, especially for countries without oil. The recession of the early 1980s pushed down the prices they received for coffee, minerals, cocoa, and other vital exports. At the same time, the debt burden of earlier years grew heavier. Higher interest rates raised the cost of paying back earlier loans, and international bankers were no longer willing to provide easy credit. Even oil-rich states felt the pinch. Mexico, for example, announced in 1982 that it could not meet interest payments on its debt.



The debt crisis in the Third World gave new life to the IMF and the World Bank. Both institutions had been designed at the end of World War II to act as building blocks for the international financial order. The IMF's mission was to promote free trade and stable currency exchange rates. Countries belonging to the IMF could request short-term loans to help them weather temporary trade imbalances. The World Bank, which consists of five financial institutions, was established to invest in long-term projects. The bank initially concentrated on helping Western Europe rebuild from World War II.

At the time the IMF and the World Bank were founded, the United States contributed 41 percent of the funds for the two institutions. (Today, the U.S. contribution to the IMF and the World Bank represents about 18 percent of the total assets.) U.S. leaders encouraged officials of the IMF and the World Bank to extend their reach beyond Western Europe in the 1950s and 1960s. After 1970, AID phased out many of its efforts to guide broad economic reform in developing countries in favor of the IMF and the World Bank.

As the Third World sank deeper into debt in the early 1980s, government officials and bankers in the developed world turned up the pressure to collect their loans and prodded developing nations to accept their standards for international commerce. The job of the IMF, in particular, was to administer bitter economic medicine to the debtors of the Third World. To be eligible for new loans, debtor nations were required to undertake "structural adjustment" programs supervised by the IMF.

Third World officials were expected to cut government spending, restrict the money supply to control inflation, reduce corruption and tax evasion, increase exports, and lower barriers to international trade. Without the stamp of approval from the IMF, developing countries found that private banks, as well as the World Bank, were unlikely to offer them new loans.

Bitter medicine

Structural adjustment has changed the political and economic landscape of much of the Third World. In many developing countries, rulers had based their regimes on support from government bureaucrats and other employees of the state. Cities were favored over the countryside. Farmers, for example, were typically expected to sell their crops to the government at low prices. In turn, government officials provided city dwellers with cheap food and sold export crops for higher prices on the world market.

Structural adjustment forced rulers to lay off government bureaucrats and cut back on public services, such as the subsidies that held down food prices. Many of the special arrangements that gave government supporters monopoly control over imports and exports were also eliminated in the name of free trade.

> *The IMF has an ideology of political and social development which it is trying to impose on poor countries irrespective of their own clearly stated policies.*
> *—Julius Nyerere, former president of Tanzania*

Even under the best of circumstances, however, structural adjustment often produced contradictory results. The IMF's emphasis on free trade, for example, called on developing countries to lower their trade barriers and seek out new export markets. In fact, more open trade policies gave many consumers their first chance to buy American cigarettes, Japanese watches, and other foreign products. Imports in most Third World nations shot up. Meanwhile, the drive to boost exports led to a worldwide glut of commodities from the developing world. Third World countries offered many of the same exports, such as coffee, thus pushing down prices for everyone.

By 1998, developing countries owed foreign lenders roughly $2.3 trillion. In many cases, the foreign aid received by poor nations does not even cover the interest payments on their huge debts. As the debt mountain has grown, debt forgiveness has increasingly become an important feature of foreign aid policy. The United States, for example, forgave $2.7

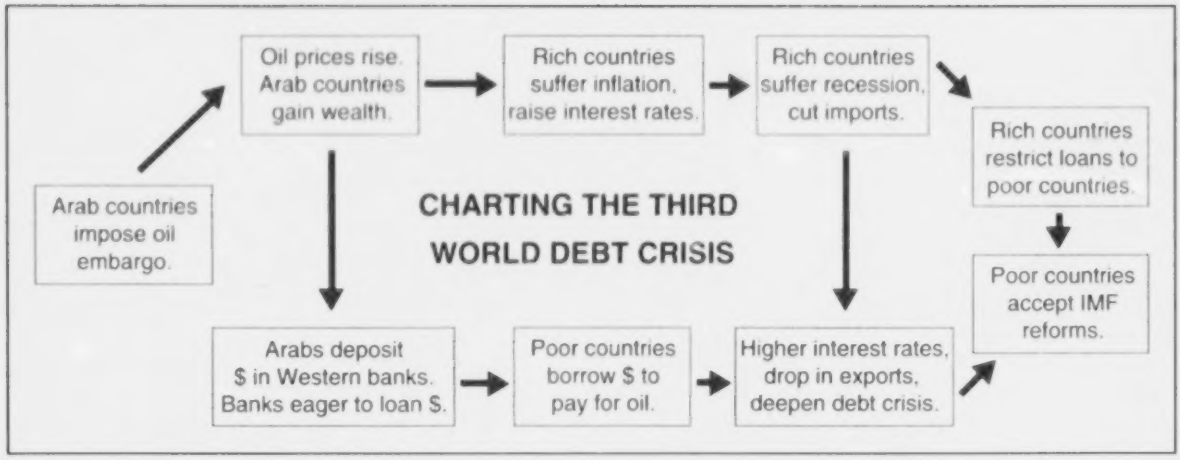
Bill Mauldin in the *Chicago Sun-Times*

billion of debt to reward the Polish government for adopting economic reforms in 1989. Likewise, $7 billion of Egyptian debt was written off in gratitude for Egypt's support of the United States during the Persian Gulf War in 1991.

Success stories

The debt crisis of the 1980s dimmed earlier expectations. From 1948 to 1973, most of the Third World had achieved high rates of economic growth, while standards for health, education, and nutrition rose as well.

Economies that relied heavily on state-run industries, however, were generally unable to keep up with global competition. Government control stifled innovation and creativity. Many developing countries found themselves burdened with factories that ate up valuable resources while turning out useless goods. Even the Soviets were in serious trouble. From 1985 to 1991, the Soviet Union's foreign debt grew from $28 billion to $67 billion and the Soviet


CHARTING THE THIRD WORLD DEBT CRISIS
Arab countries impose oil embargo.
Oil prices rise. Arab countries gain wealth.
Rich countries suffer inflation, raise interest rates.
Rich countries suffer recession, cut imports.
Rich countries restrict loans to poor countries.
Poor countries accept IMF reforms.
Higher interest rates, drop in exports, deepen debt crisis.
Poor countries borrow $ to pay for oil.
Arabs deposit $ in Western banks. Banks eager to loan $.

economy went into a tailspin.

The handful of developing nations that took off economically fueled their growth primarily through exports. The most striking examples — South Korea, Taiwan, Hong Kong, Singapore, and Chile — began promoting exports in the 1960s and 1970s. Government planning in each country was critical, and key industries were generally protected from foreign competition. But there were other policies that set these nations apart. National currencies, for example, were not kept at artificially high exchange rates, and restrictions on exports were lifted. Control of the economy was largely in the hands of private businessmen, not government planners. The laws of supply and demand were allowed to determine wages, interest rates, and other prices.

Economic growth was often accompanied by violations of labor rights and harm to the environment, but the results were nonetheless impressive. In 1950, South Korea's economy was at about the same level as that of Kenya and Peru. Today, per capita income in South Korea is eight times that of Kenya and three times that of Peru. From 1961 to 1990, South Korea's rate of economic growth averaged nearly 10 percent a year. South Korean electronics, computers, and automobiles are now among the top-selling brands in the world.

Foreign aid from the United States, as well as from Japan, was crucial in helping South Korea recover from the devastation of the Korean War. Most economists, however, maintain that aid was not the decisive factor in propelling the South Korean economy forward. The experience of other rapidly developing countries supports their argument. Taiwan, for example, began dismantling its protectionist economic policies after the flow of U.S. aid slowed in the mid-1960s. Chile was almost completely cut off from aid after General Augusto Pinochet overthrew the elected government in 1973.

All three countries aggressively pursued export sales in the United States. South Korea and Taiwan received an added boost during the Vietnam War, when local companies acted as suppliers to the U.S. military. For its part, the United States kept its market relatively open to imports from the Third World.

Trade benefits

Trade policy was a vital element of America's Cold War strategy. In 1947, the United States took the lead in organizing the General Agreement on Tariffs and Trade (GATT). The GATT laid down a set of ground rules for international commerce among the twenty-three nations that originally signed the accord.

Expansion of GATT was a top priority for U.S. policymakers. Membership in the organization meant acceptance of the free-market economic principles upheld by the United States, Western Europe, and Japan — and a rejection of the Soviet system. For that reason, the United States was willing to allow developing countries to join GATT on special terms. Many were given extra time to lower their import tariffs (taxes on imported goods) and take other steps to

open their markets to foreign competition. GATT, now known as the World Trade Organization, today includes 130 member states.

In addition, the United States adopted measures on its own that were designed to encourage exports from developing countries. The creation of the Generalized System of Preferences in 1976 granted special tariff breaks on exports from certain developing countries. The United States also allowed American-made parts shipped abroad for assembly to re-enter the United States free of tariffs. As a result, hundreds of manufacturers set up factories in Mexico near the U.S. border to take advantage of cheap Mexican labor.

In the last two decades, however, U.S. efforts to extend trade benefits to the developing world have increasingly come into conflict with American producers and workers who fear Third World competition. By the late 1980s, the United States had negotiated agreements with ninety-eight countries to limit their exports of textiles and clothing to the United States. The trade restrictions often directly undermine U.S. foreign assistance programs. American aid officials in Bangladesh, for example, helped launch industries, such as clothing, that made use of that country's ready supply of low-wage labor. In 1986, however, the United States required Bangladesh to cut back exports of clothing to the American market.

Similarly, the Caribbean Basin Initiative illustrates the contradictions in U.S. policy. In 1983, the United States sought to counter communism in Central America and the Caribbean islands by eliminating tariffs on exports from the region. American business interests, however, lobbied Congress to ensure that sugar, beef, and textiles were not included among the tariff-free goods.

The decision to exclude sugar from the initiative was most significant. Opening up the American market to tariff-free sugar from the Caribbean Basin would have earned countries in the region hundreds of millions of dollars. American consumers would have also benefited. Instead, they continued to pay prices that were two to five times above the world market price during the 1980s.

The most important U.S. trade initiative toward the developing world culminated in the North American Free Trade Agreement (NAFTA). NAFTA, which took effect in 1994 after seven years of negotiations, is gradually creating an open market among the United States, Mexico, and Canada. The agreement has already led to a surge in U.S.-Mexican trade. At the same time, NAFTA has increased the U.S. stake in resolving Mexico's economic and political troubles. Other Latin American countries, with Chile at the head of the pack, have encouraged the United States to expand NAFTA southward.

Part II: Clarifying the U.S. Policy Debate

In July 1997, the government of Thailand announced that it would allow market forces to determine the exchange rate of the Thai currency, the *baht*. Within hours, the value of the *baht* against the U.S. dollar fell 17 percent.

Outside of financial circles, the news from Thailand received little attention in the United States. Throughout the 1990s, Thailand and most of its neighbors in Southeast Asia had won admiration in the United States for spurring their economies forward and lifting millions of people out of poverty.

Thailand's currency problems, however, soon ballooned into a wider economic crisis. Other Southeast Asian nations were the first to feel the ripple effect, but it soon extended well beyond the region. By the fall of 1998, countries as diverse as Russia and Brazil faced severe economic downturns that could be traced back to the devaluation of the *baht*. Americans, too, were coming to recognize that their own economy was vulnerable as well.

Crisis in confidence

The economic crisis that began in Thailand has also become a crisis in U.S. policy toward the developing world. Since the end of the Cold War, the United States has scaled back the role of foreign aid. Instead, American leaders have held out the promise of trade and investment in their dealings with the world's have-nots. Whether in Southeast Asia, sub-Saharan Africa, or Latin America, poor countries have been advised that free-market economic principles offer the only path to progress.

In their support for the free market, U.S. officials have worked closely with policymakers from the International Monetary Fund (IMF). Indeed, the IMF's approach to "structural adjustment" crafted in the 1970s has been at the heart of the U.S. position on development in the 1990s.

The rapidly industrializing countries of Southeast Asia, such as Thailand, seemed to validate U.S. and IMF policy. They had opened their economies up to foreign investment, lowered trade barriers, enacted strong measures to tame inflation, and concentrated on expanding exports. In short, they had embraced the global marketplace that Washington had been constructing since the end of World War II.

Southeast Asia's slump has called into question the economic prescriptions that have been the bedrock of U.S. strategy in the developing world. The consensus that formed during Southeast Asia's boom years has been shattered. In its place, controversy has erupted over the causes and remedies of the crisis.

The economic crisis has also highlighted the fragility of the international economic system, especially for developing countries. Until 1997, the spread of free-market principles in the developing world appeared to be paying off. From $34 billion in 1988, foreign investment in developing countries soared to $368 billion in 1996.

The dramatic upward trend, however, masked the fact that most of the money went to buy stocks and other assets that could be quickly transferred to other markets offering higher returns. In Southeast Asia, for example, the devaluation of the Thai *baht* set off a wave of selling by foreign investors in the region. Overall, foreign investment in the developing world is expected to fall to $186 billion in 1998 and $119 billion in 1999.

Moreover, significant foreign investment has yet to reach most poor countries. Even in 1996, only a handful of East Asian economies attracted the bulk of foreign investment going to the developing world.

Meanwhile, the same wealthy countries providing foreign investment have reduced their spending on foreign aid in the 1990s. From 1992 to 1996, economic assistance to the developing world dropped from $68 billion to $55 billion. The spreading economic crisis did not reverse the trend. In 1997, economic assistance amounted to less than $48 billion — barely one-fifth of 1 percent of the economic output of the developed world.

Foreign Aid under Fire

The decline in foreign aid spending worldwide has been driven in large part by budget cuts in the

United States. Among the world's twenty-one wealthiest nations, the United States ranked last in 1997 in the proportion of its economic output devoted to economic assistance. America's contribution of $6.2 billion equalled 0.08 percent of our country's gross domestic product (GDP). By comparison, France devoted 0.45 percent of its GDP to aid, while Canada spent 0.36 percent. In total spending, America's economic assistance budget for 1997 was smaller than that of Japan and France.

Public misperceptions

While the United States has, in fact, relinquished its leadership role in foreign aid in the 1990s, most Americans assume that our country remains at the forefront. Public opinion surveys show that the average American estimates that foreign aid amounts to about 15 percent of our country's federal budget. In reality, the $13.7 billion spent on international assistance in 1998 accounts for well under 1 percent of the U.S. budget. Overall, U.S. foreign aid spending is down to its lowest level since before World War II. (Private charities dedicated to improving life overseas collected roughly $2 billion in the United States in 1997.)

Adding to public misunderstanding is the tendency to lump together foreign aid spending. In fact, the budget has three distinct components. The smallest ($890 million in 1998) and least controversial segment is set aside for helping the victims of famine, war, national disasters, and other emergencies. Military and security aid cost $6 billion in 1998, going mainly to U.S. military allies and to support drug-control efforts. Israel and Egypt receive the bulk of America's military and security aid. The remaining $6.8 billion represents the core of our country's foreign aid budget according to international standards. This money is targeted to long-term economic assistance. Again, Israel and Egypt are the leading recipients of U.S. economic assistance.

A hefty portion of U.S. foreign aid finds its way back home. Much of our country's economic assistance consists of credits to purchase American goods and services. As part of a program to modernize farming, for example, the United States might provide credits to buy American-made irrigation equipment or hire an American expert on food storage and packaging. Long after the foreign aid has been spent, American firms often continue to receive orders for replacement parts and maintenance services.

There is also widespread confusion about America's relationship with the IMF and the World Bank. Since the creation of the IMF, the United States has contributed 17.5 percent of the fund's assets, or about $36 billion. As the largest contributor, the United States holds the most clout in charting IMF policies. The IMF, however, operates much like a credit union. The United States and the other 181 member states earn interest on the money they deposit and may withdraw it.

The World Bank acts to channel money from wealthy nations to projects in the developing world. Much of the bank's funding is derived from interest paid by borrowing countries. As with the IMF, the United States is both the World Bank's largest donor and its most influential member. In 1998, the United States contributed about $600 million to the bank (along with $900 million in back debts). In turn, the World Bank's

headquarters in Washington, D.C., injects nearly twice that sum into the local economy through salaries and contracts.

Defining development

While the funding involved is comparatively small, foreign aid has nonetheless stirred a great deal of controversy in the United States in recent years. The debate is less about money and more about our country's role in the world.

The Agency for International Development (AID) has been at the center of the political storm. AID administers the largest share of our nation's foreign aid budget — about $7 billion in 1998. Since the end of the Cold War, the agency has been reorganized and slimmed down. Even with new programs in the former communist states of the old Soviet bloc, AID plans to reduce its presence from 98 countries in 1996 to 75 countries by 2000. The agency's budget has been trimmed as well, falling one-fifth since 1992.

Dave Horsey in the *Seattle Post-Intelligencer*

At the top of AID's agenda is promoting steady economic growth through free-market economic principles, protecting the environment and holding down population growth, nurturing democracy, and boosting the rights of women and minority groups. AID's director, J. Brian Atwood, uses the term "sustainable development" to sum up the agency's philosophy.

> *There is nothing right about the words "foreign" or "aid." It's not charity. It's not a gift. It's something we do in our own interests.*
>
> *—J. Brian Atwood, director of AID*

Atwood sees sustainable development as an attempt to balance demands for economic growth with concern for human needs and the environment. In practical terms, that has meant stressing basic health care, primary education — especially for girls — and small business opportunities for the poor, as well as pressing for sensible economic policies. Critics of sustainable development charge that the approach serves to justify continued government control of the economy in poor countries, feeds corruption, and stifles free-market reform.

AID's emphasis on nurturing democracy and women's rights has likewise sparked debate. AID officials contend that the United States should use foreign aid as a means for advancing America's political and social values. In their view, economic development goes hand-in-hand with democratic values and expanded opportunities for women. They favor American support for opposition political parties, independent newspapers, human rights groups, and other institutions that act as the foundation of a democratic political system. They point out that educating women pays off in lower birth rates and improved health care.

Critics consider efforts to implant the values of our society in developing countries as misguided, if not outright dangerous. In countries where the population is sharply divided along ethnic or religious lines, critics

Data from the U.N. and *The World Almanac*

Worlds Apart: Comparing Developed and Developing Countries

Country	GDP per capita ($)	Life expectancy at birth (years)	Death rate for infants under 1 year (per 1,000)	Adult literacy (%)	Ratio of doctors to people	Ratio of telephones to people
WORLD'S LEAST DEVELOPED COUNTRIES						
Sierra Leone	625	35	133	31	1:10,832	1:271
Niger	765	48	116	14	1:54,444	1:677
Burkina Faso	784	46	117	19	1:27,158	1:347
Mali	565	47	101	31	?	1:573
Burundi	637	45	101	35	1:31,777	1:371
Ethiopia	455	49	122	36	?	1:401
WORLD'S MOST DEVELOPED COUNTRIES						
Canada	21,916	79	6	99	1:464	1:1.7
France	21,176	79	6	99	1:361	1:1.8
Norway	22,427	78	5	99	1:299	1:1.8
United States	26,977	76	15	99	1:282	1:1.6
Iceland	21,064	79	4	99	1:357	1:1.8
Finland	18,547	76	5	99	1:371	1:1.8

note, introducing political parties and elections tends to magnify local tensions. Similarly, they warn that placing special emphasis on women often cuts against the grain of long-held traditions and breeds resentment against American meddling.

Trade and investment

Even among AID officials, trade and investment are often put forward as an alternative to foreign aid to boost the fortunes of the developing world. Developing countries (including the nations of the former Soviet bloc) already purchase nearly 45 percent of U.S. exports, and their share is expected to rise in the 21st century. President Clinton has taken steps to build stronger trade ties with Latin America and East Asia.

Supporters of more open trade argue that everyone wins when developing economies join the global marketplace. New industries geared toward exports spring up in developing countries, while American consumers benefit from a wider selection of competitively priced products. Likewise, they contend that removing restrictions on financial markets fuels growth in developing economies and gives American investors an opportunity for higher returns.

Critics of free trade and investment, however, maintain that losers outnumber winners in the global economy. In their view, the winners are mainly big corporations that relocate factories in the developing world to take advantage of low-wage labor and rich investors who shift their money from one market to another. The losers, free-trade opponents assert, are typically found among the working class and the poor. Among them are hundreds of thousands of American workers who have lost manufacturing jobs in recent years and tens of millions of people in the developing world who have been left unemployed or bankrupt by economic turmoil.

Part III: Focusing on Three Critical Regions

A discussion of U.S. policy toward the developing world requires opening a door to a world that most Americans can scarcely imagine.

According to U.S. government estimates, about one in seven Americans lives below our country's official poverty line. Life for America's poor is bleak, but even our country's poorest citizens generally have access to electricity, heating, safe drinking water, free education, and other basic services. In contrast, many of the modern conveniences that Americans take for granted are beyond the reach of the 3 billion people in the developing world who earn less than $2 a day.

Conditions in Bangladesh, a South Asian country which ranks among the world's poorest nations, illustrate the meaning of poverty in much of the developing world. Thirteen percent of Bangladeshi children born today will die before their fifth birthday. Two-thirds will suffer from malnutrition so severe that their growth will be permanently stunted. Although Bangladesh has made substantial strides in education in recent years, one-quarter of the country's children do not attend school. Nearly 60 percent of the adult population cannot read or write.

Of Bangladesh's 125 million people, more than 100 million live in the countryside. Most farmers cultivate tiny plots of land that barely produce enough food for themselves and their families. The average per capita income is $1,130, almost 25 times lower than the average per capita income in the United States.

The technological advances of the 20th century have scarcely touched the lives of most Bangladeshis. The majority of people continue to burn dried animal dung or wood for fuel. The average Bangladeshi uses 160 times less electricity than the average American. Bangladesh has one telephone for every 500 people.

Since its establishment in 1971, Bangladesh has also been a test case for international aid. The country has been the launching pad for several innovative development projects, as well as home to a number of notable disappointments. (Bangladesh received $70 million in U.S. development assistance in 1997.)

In this section of the background reading, you will have an opportunity to examine the successes and failures of U.S. development strategies in sub-Saharan Africa, Latin America, and Southeast Asia. As you read, consider how the following examples help flesh out your picture of the developing world and apply to the current debate over U.S. policy.

Sub-Saharan Africa

Sub-Saharan Africa (the countries of the continent that do not border the Mediterranean) has largely come to be viewed as a region of problems. Taken as a whole, the picture in sub-Saharan Africa is indeed grim.

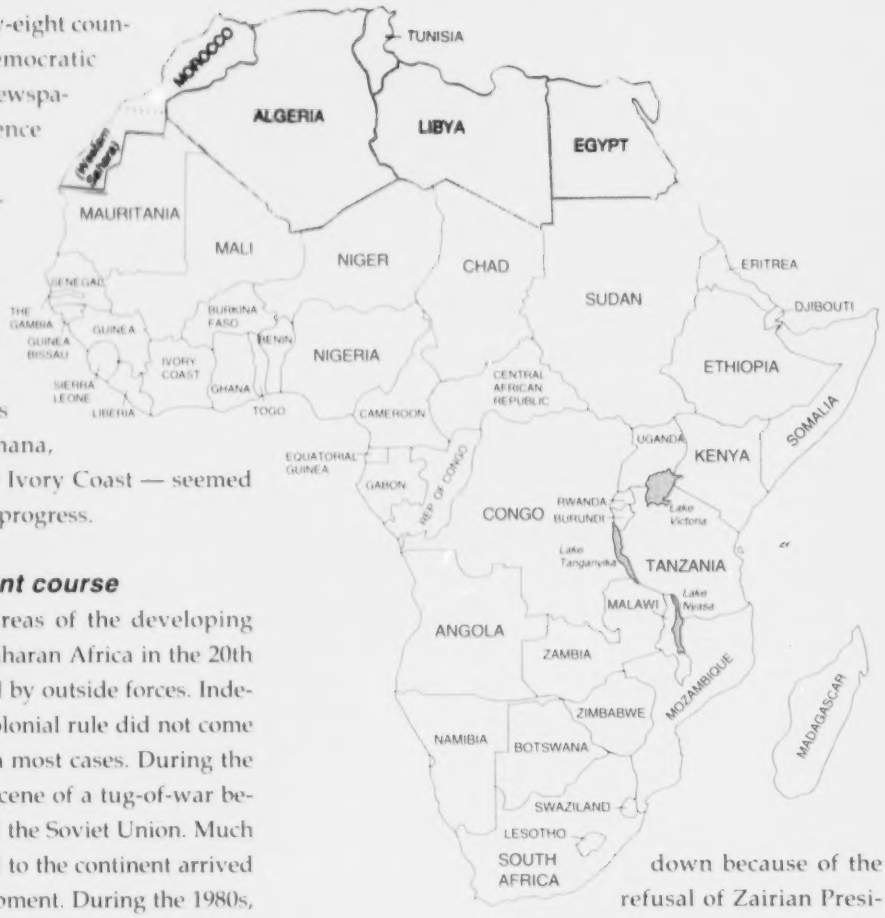
One-quarter of children in sub-Saharan Africa die before their fifth birthday. Less than one-fifth of the region's teenagers attend high school. In many countries, foreign aid represents over 5 percent of GDP. Statistics indicate that income and food production have fallen in most countries over the last two decades. At least two-thirds of the people in the world infected with HIV (the virus that causes AIDS) live in sub-Saharan Africa.

Meanwhile, population growth in sub-Saharan Africa is the highest in the world. At present rates, the number of people in the region is expected to grow from 610 million today to more than 1.1 billion by 2020. In the 1990s, the world has been horrified by scenes of a genocide in Rwanda that claimed at least 500,000 lives, famine in Somalia, and bloody civil wars in Liberia, Sudan, Angola, Burundi, Congo and elsewhere. In several war-torn countries, including Angola and Somalia, roughly twice as much money has been spent on the military as on health and education. In all, the continent has eighty-three soldiers for every doctor. (The ratio is four to one in the developed world.)

A single snapshot of sub-Saharan Africa, however, overlooks the continent's diversity and promise. Much of southern Africa, particularly Botswana, Zimbabwe, and Zambia, have made substantial progress over the last twenty years. In South Africa, the election of Nelson Mandela in 1994 peacefully ended decades of white rule in the country. Over half

of sub-Saharan Africa's forty-eight countries have recently held democratic elections, and independent newspapers have gained influence throughout the region.

Economically, the region experienced healthy growth in both 1996 and 1997. Foreign trade increased at an annual rate of nearly 9 percent from 1994 to 1997. A handful of countries — led by Botswana, Ghana, Uganda, Tanzania, and the Ivory Coast — seemed poised for steady economic progress.



Charting an independent course

More than in other areas of the developing world, the history of sub-Saharan Africa in the 20th century has been dominated by outside forces. Independence from European colonial rule did not come until the 1950s and 1960s in most cases. During the Cold War, Africa was the scene of a tug-of-war between the United States and the Soviet Union. Much of the foreign aid channeled to the continent arrived in the form of military equipment. During the 1980s, the top recipients of American assistance in the region were Somalia, Zaire (present-day Congo), Liberia, and Sudan — all key components in U.S. Cold War strategy.

Since the end of the Cold War, the influence of the superpowers has largely been replaced by the authority of the IMF and the World Bank. The two organizations presently oversee economic reform programs in thirty African countries. The region, however, has a long way to go. Sub-Saharan Africa's debt tops $225 billion, while the region's share of world trade has dropped to 2 percent. In the most heavily indebted countries, governments spend more money on paying off their loans than on social services for their people.

America's establishment of the Development Fund for Africa in 1988 signalled a shift of U.S. priorities in sub-Saharan Africa. Fostering responsible government was emphasized over rewarding loyal allies. As a result, the U.S. aid program in Zaire was shut down because of the refusal of Zairian President Mobutu Sese Seko to take steps against corruption and government waste. AID also pulled out of Sudan to protest government policies there.

The most tragic setback for U.S. policy occurred in Somalia. Much of the $800 million in aid that the United States pumped into the country during the 1980s was siphoned off by rival clan leaders. The money fed a civil war that plunged the country into chaos. In 1992, 25,000 American troops were sent to Somalia as part of a United Nations mission to prevent starvation and restore order. After eighteen Americans were killed in a skirmish with the forces of a Somali warlord in 1993, the United States began dismantling its operation.

U.S. aid officials claim that they have learned from earlier mistakes. The high-profile projects of the past have given way to improving the lives of average people. Instead, of funding the construction of an

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urban hospital or a university, aid officials are more likely to support rural health clinics and elementary schools.

The United States also hopes to integrate Africa into the global economy by encouraging foreign investment and trade. Sub-Saharan Africa absorbs only about 1 percent of the investment entering the developing world. U.S. policymakers contend that economic and political reform will make the region more attractive to outside investors. They believe that clearly targeted economic assistance can lay the groundwork for later growth. To spur Africa forward, the United States has offered trade benefits to countries that lower import tariffs and reduce the government role in the economy. The United States has also forgiven over $1.3 billion in debt for twenty countries in the 1990s.

For many, many generations, praise will be unto those who rose to the challenge as Africa set on a new and great beginning.

—Nelson Mandela, president of South Africa

U.S. aid dollars, however, must stretch further. America's budget for long-term development aid in sub-Saharan Africa has declined since the end of the Cold War. France, Japan, and Germany rank ahead of the United States in development spending in the region. In 1998, AID spent about $700 million in sub-Saharan Africa. In contrast, spending on emergency relief to the region has climbed in the 1990s. The U.S. military operation to prevent starvation in Somalia in 1992-94 cost over $1.7 billion.

In the area of trade policy, the U.S. record toward sub-Saharan Africa is similarly mixed. Many of Africa's potential agricultural exports, such as sugar, peanuts, and beef, are kept out of the American market by high import tariffs designed to protect our country's farmers from foreign competition. Meanwhile, American donations to Africa of powdered milk, wheat, and other surplus commodities hold down prices for local farmers.

South African President Mandela maintains that America's emphasis on trade and foreign investment fails to address Africa's deep-seated problems. He is concerned that scaling back the role of government, as Washington recommends, will leave the poor more vulnerable than ever. Mandela and other prominent Africans argue that the United States must provide more economic assistance and reduce the heavy debt burden of sub-Saharan African nations.

Case study: family planning

A major part of the U.S. strategy in sub-Saharan Africa revolves around limiting population growth. International efforts to hold down birth rates in the developing world largely began with AID in 1965. After more than three decades of work, AID officials claim part of the credit for the drop in the average number of children per family in developing countries from six to four.

Today, the United States spends about $400 million on international population control, much of it in sub-Saharan Africa, and provides nearly 40 percent of the family-planning services offered by developed countries.

Over time, population control has branched out into new areas. It is now woven into a broader program to improve the health of children and expand their educational opportunities. AID officials have concluded that birth rates will not come down until parents are convinced that their children will survive their early years. They also believe that the education of girls is crucial both to combatting disease and malnutrition and to limiting population growth.

In Malawi, a country of 10 million people in southern Africa, AID officials have concentrated on basic health care. Malawi's youngest children suffer from one of the world's highest death rates, especially in rural areas. Nearly half of them are malnourished.

Much of AID's budget in Malawi has been targeted to reducing malaria — a disease transmitted by mosquitos. AID has supported projects to bring safe drinking water and malaria treatment therapies to the poor. The agency is also helping test mosquito nets treated with insecticide. At the same time, AID has sought to increase access to condoms, birth control pills, and other means of contraception.

AID's programs have left their mark in Malawi. Since 1992, the number of deaths attributed to malaria

has declined 6 percent and the proportion of women practicing birth control has doubled from 7 percent to 14 percent. Nonetheless, progress in Malawi has been painfully slow.

While Malawi has increased government spending on health services for children, the funding falls well short of the tremendous need. As in most developing countries, diarrhea remains the leading killer of Malawi's youngest citizens. (Worldwide, diarrhea claims roughly 34,000 lives a day.) Most go without vaccinations for common childhood diseases. Moreover, AID's programs to introduce birth control often clash with traditional beliefs which place a high value on large families.

Latin America

Geography has created a unique bond between the United States and Latin America. Our country's first foreign aid programs were undertaken in Cuba after the United States gained control of the island in the Spanish-American War of 1898.

In the early decades of the 20th century, American assistance efforts went hand-in-hand with the expanding role of the U.S. military and American business in the region. The United States repeatedly intervened in the Caribbean, Central America, and Mexico. In several countries, especially Cuba, Haiti, and Nicaragua, American troops maintained almost a constant presence into the 1930s. At the same time, the United States built roads, hospitals, harbors, and railroads, usually to support American investments.

From the start, U.S. policy in Latin America was muddied by conflicting goals. For those who favored a strong military presence in the region, Latin America — particularly the Caribbean and Central America — was seen as a potential breeding ground for threats to U.S. security. Meanwhile, business leaders were most interested in expanding their investments in sugar, coffee, bananas, and other local industries. In addition, the region was viewed as a test case for America's ability to transplant democratic values and reduce poverty.

With so many interests at work, the results of U.S. involvement in Latin America were bound to spark controversy. During the Cold War, U.S. policy in the region was torn between the emphasis on containing the spread of communism and the need to improve the lives of the poor and promote democracy. Cold War strategy often led the United States to side with military dictators in the struggle against communism.

The Third World debt crisis of the 1980s prompted a review of U.S. priorities in Latin America. Most Latin American nations had dug themselves into a hole through heavy borrowing, with Brazil and Mexico heading the list.

Country after country in the region adopted economic reform programs crafted by the IMF. The belt-tightening measures hit the poor the hardest, and the impact soon spilled across U.S. borders. The number of illegal aliens crossing into the United States from the region soared during the 1980s.

Trend toward reform

In the 1990s, the end of the Cold War and an economic upswing have changed perceptions on both sides of the cultural divide that separates the United States from its southern neighbors. In Washington, Latin Americans are now viewed as trading partners rather than as allies in the struggle against communism. At the same time, Latin Americans have cast into history the corrupt, military-backed regimes that commanded U.S. support during the Cold War.

As a result, the 1990s have been a decade of dramatic change in the region. Dictatorships have given way to democratic governments. Peace has come to many countries scarred by civil war. Finally, most of the region's leaders have embraced free-market economic principles.

Many of Washington's goals in Latin America have been achieved. Economic relations in the Western Hemisphere have never been stronger. Latin America purchases about one-fifth of U.S. exports. The coming years may see agreement on a trade pact that unites the Americas into a single open market. Politically, Latin America offers the best evidence that democracy is sweeping the developing world.

The trends in Latin America, however, are not all positive. Despite impressive economic growth in recent years, little progress has been made in reducing

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the region's widespread poverty. The gap between the rich and the poor in Latin America remains wider than in any other part of the world. Moreover, democracy in the region has yet to sink deep roots. In many Latin American nations, powerful militaries continue to operate outside of the law.

Case study: fighting the drug war

While U.S. economic assistance in Latin America has sought to improve conditions for the poor, the programs have been overshadowed by our country's efforts to stop the flow of illegal drugs from the region. The policy, of course, stems from our country's failure to stop drug abuse here at home.

Soon after America's drug habit blossomed in the 1960s, Latin America emerged as our country's leading supplier. The region produces virtually all of the world's cocaine and a growing share of its heroin.

Colombia, Peru, and Bolivia are the center of the cocaine industry. Farmers there have been growing coca leaves (the basis for cocaine) for centuries. Traditionally, the people of the Andes Mountains chewed coca leaves to relieve hunger, cold, and fatigue. In its raw form, coca acts as a mild stimulant, not much more potent than the caffeine in coffee and tea.

Beginning in the 1970s, coca growing became an important business in Colombia, Peru, and Bolivia. The economic appeal for peasants was irresistible. Coca plants yield several harvests a year. The leaves are light to carry and bring a high price compared to other crops. For 400 pounds of coca leaves (enough to produce one pound of refined cocaine), farmers receive about $200 to $500.

Since the early 1980s, U.S. foreign aid in Colombia, Peru, and Bolivia has been closely connected with drug control. Much of the funding has been channeled toward persuading poor farmers to substitute other crops for coca. The undertaking has combined conventional economic assistance with the muscle of a military operation.

In 1998, the United States earmarked $231 million in aid for combating the drug trade. (In addition, drug control cost the U.S. military much more in extra expenses.) Nearly $100 million was directed toward Colombia. Almost as much went to Peru, while about $50 million was spent on Bolivia. Meanwhile, hundreds of the most highly trained members of America's armed forces acted as advisers to the police and the military in the region.

Experience has taught U.S. officials that few local farmers will voluntarily give up growing coca. Rather, the United States has increasingly sponsored efforts to disrupt the cocaine trade in hope of convincing farmers that raising coca is too risky. In Peru, for example, the United States has provided electronic surveillance to the Peruvian air force. The information has enabled Peruvian pilots to intercept many of the small planes that deliver coca leaves and coca paste to cocaine processing laboratories in Colombia. With coca buyers being driven out of business, coca farmers have no market for their crop. As a result, the amount of land devoted to raising coca in Peru fell 40 percent from 1995 to 1997.

Overall, however, coca production in South America fell only slightly during the same period. Pressuring coca farmers in one area has often encouraged peasants to plant coca in other areas. In

Colombia, for example, an expansion of coca production largely made up for the decline in Peru. U.S. strategy in Colombia has revolved around spraying coca fields from the air with herbicides that kill the plants. In Bolivia, too, coca production has held steady even as the Bolivian army has taken a more active role in destroying coca fields.

> *You can't declare war on 3 million peasants.*
> *—Hernando de Soto, former director of Peru's drug control efforts*

In Colombia and Peru, curbing drug trafficking has also meant taking on guerrilla movements. Colombia's two main guerrilla groups are tightly linked to the cocaine trade. They often extort money from farmers and small-time cocaine processors. In addition, they frequently serve as guards and middlemen for large drug cartels. To protect their stake in the cocaine business, the guerrillas have fought against drug-control efforts. They have shot down dozens of crop-dusters and support helicopters involved in spraying coca fields. Several American pilots have been killed in the attacks.

Poverty and isolation have provided fertile ground for both guerrilla movements and coca farming. In the state of Putumayo in Colombia's rugged southwest — a center of both coca growing and guerrilla activity — there are no highways. Transporting fruit, vegetables, and other crops to city markets can take days. Decades of conflict have held back local economies and discouraged investment.

Poor planning has undermined many U.S.-backed programs to promote alternative crops in Putumayo. A project to export palm hearts to Europe, for example, failed because a canning plant was not finished in time for the harvest. The roughly 120 farmers who had signed up for the project were left with a worthless crop.

Ultimately, U.S. officials concede that their struggle against drug trafficking will succeed only if coca farmers are given another means of making a living. Until that day comes, they acknowledge that cocaine will remain an economic mainstay in Colombia, Peru, and Bolivia.

Southeast Asia

Few parts of the world have changed their image in American eyes so dramatically as Southeast Asia. In the 1960s and early 1970s, Southeast Asia was seen by Americans as the battlefield of the Vietnam War. The countries of the region, mostly poor and unstable, were considered ripe for communist takeover.

By the mid-1990s, Southeast Asia seemed to be showcase of successful development. The region enjoyed one of the highest economic growth rates in the world..Foreign investors rushed to put their money in local markets Tens of millions of people were climbing out of poverty to claim a foothold in the middle class.

With the economic crisis that began in 1997, however, Southeast Asia's image has changed once again. The region now stands as a symbol of the pitfalls of the global economy and rapid development. Rather than attracting praise and admiration, Southeast Asian societies are now more likely to be criticized for corruption and mismanagement.

America's role in the region

The United States has played a vital role in Southeast Asia's ups and downs. During the Vietnam War, the non-communist states were the arena for some of America's leading foreign aid programs. In 1967, the United States brought most of the countries together to form the Association of Southeast Asian Nations.

After our country's defeat in Vietnam, U.S. policymakers placed still greater significance on holding the line against communism elsewhere in Southeast Asia. U.S. support was lavished on ruthless dictators, such as Indonesia's Suharto and the Philippines' Ferdinand Marcos.

At the same time, the United States urged Southeast Asian governments to follow in the footsteps of the surging Asian "tigers" (South Korea, Taiwan, Hong Kong, and Singapore). With the United States serving as a ready market for their exports, Southeast Asian countries lowered barriers to trade and encouraged industries to seek customers abroad.

By 1997, U.S. trade with Southeast Asia had reached $118 billion annually — slightly above our country's trade with Central and South America (excluding Mexico). With the growth of trade, U.S. foreign aid to the region was largely phased out. (In 1998, American assistance programs in Southeast Asia were limited to Indonesia, the Philippines, and war-torn Cambodia.)

The economic policies of Southeast Asia soon attracted the attention of foreign investors. Japanese and American corporations, drawn by the region's abundant supply of cheap labor, led the way in building modern factories. In the 1990s, Southeast Asia caught the eye of Wall Street. Major U.S. banks were eager to offer loans to companies in the region, anticipating high rates of return. Investment firms poured billions into local stock markets with the same expectations. In 1996, Indonesia, Thailand, Malaysia, and the Philippines together received nearly $80 billion in foreign financing.

The bubble bursts

The collapse of Southeast Asia's economic miracle in mid-1997 spawned a wide range of competing analyses and theories about what went wrong.

In the United States, officials and financial specialists argue that Southeast Asia's crisis was rooted in home-grown weaknesses. They maintain that close connections between governments, banks, and businesses fed corruption and undercut effective regulation. Americans also note that the currencies of many Southeast Asian nations were overvalued, encouraging companies to borrow from foreign banks and consumers to buy foreign goods. In Thailand, for example, debt to foreign banks rose from $29 billion in 1993 to $69 billion in mid-1997.

The American approach to putting Southeast Asia's economies back on track involves applying free-market principles more rigorously. In particular, U.S. policymakers have called for reforms to require Southeast Asian banks to operate more openly, as they do in the United States. They have also recommended that governments phase out their ties to the business world.

In Southeast Asia, the explanation of the crisis has centered on the role of outside forces. They recall that foreign lenders were eager to pump billions of dollars of credit into their region while economic times were good. Southeast Asian leaders place much of the blame on Wall Street investors who have the power to instantly transfer billions of dollars electronically. As they point out, Wall Street has abandoned the entire region since mid-1997, punishing well-managed and poorly managed companies alike.

They insist that wealthy countries must accept their share of responsibility for sparking the Southeast Asian crisis and should contribute more to finding a solution. In the meantime, they advise all developing countries to protect their economies from the often rash swings of the global marketplace.

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Case study: the IMF cure

With U.S. backing, the IMF has taken the lead in addressing the Southeast Asian crisis. In 1997, IMF officials put up the fund's own money and gained further commitments from other wealthy lenders to assemble huge financial rescue packages for Indonesia and Thailand. Indonesia was offered $43 billion in credit and Thailand $17 billion. The rescue packages were among the largest ever arranged by the IMF.

The money, however, came with strings attached. Countries accepting IMF help are required to follow the fund's recommendations for reform. That has included demands to bring the rules for banking and finance in the region more in line with Western standards.

Over the long run, the changes may produce more foreign involvement in Southeast Asia's financial sector. In addition, the IMF pressed Southeast Asian governments to cut government spending.

Thailand was generally a willing partner with the IMF, but Indonesia's President Suharto resisted. While IMF officials and Suharto negotiated, Indonesia's currency dropped further. By the time Suharto agreed to cut the government subsidies that kept the prices of food and gasoline artificially low, millions of Indonesians had reached the point of desperation. In early 1998, bloody riots swept the country. Suharto resigned and was replaced by a leader who pledged to enact reform and rein in corruption. Nonetheless, Indonesia's economy continued to slide downward.

Throughout the early stages of the Southeast Asian crisis, the region's officials looked anxiously to Washington for leadership. In Thailand, the hope was that the United States would provide direct financial assistance, as the Clinton administration had done for Mexico in 1995.

Instead, U.S. officials insisted that the IMF deal with the emergency. The United States also blocked a proposal by Japan in 1997 to set up a $100 billion fund for East Asia with financing from Japan, Hong Kong, Taiwan, and Singapore. According to the U.S. officials, a separate fund would challenge the authority of the IMF and trip up momentum for reform.

The formula advocated by the United States and IMF, however, has not brought the quick recovery in Southeast Asia that many economists had anticipated. Rather, the collapse of the region's financial system has dragged economies into a deep recession. Indonesia's economy is forecast to shrink about 15 percent in 1998. In Thailand, the drop is expected to be around 7 percent. Other Southeast Asian economies are also in decline.

In human terms, the crisis threatens to undermine a generation's worth of advancement. With so many businesses in the region unable to pay back their loans, even companies that had avoided debt find that they have no market for their products and no source of credit. Many are being forced to lay off workers. Unemployment among Indonesia's urban labor force could reach 40 percent in 1999. Millions who had found jobs in the cities in recent decades are now returning to their native villages.

Among Southeast Asian leaders, there is growing resentment and mistrust of the United States. Some suspect that the IMF is acting on behalf of Wall Street to cripple their economies and force companies to sell their assets cheaply to U.S. investors.

The sharpest criticism has come from Malaysia's prime minister, Mahathir Mohamad. He believes that Malaysia's stock market and currency must be shielded from outside forces. Under controls imposed by Mahathir in 1998, the value of Malaysia's currency is now set by the country's central bank, not international markets. In addition, foreigners buying Malaysian stocks must hold them for at least one year before selling.

> *The free market has failed and failed miserably.*
> *—Mahathir Mohamad, Malaysian prime minister*

Mahathir's tough talk, however, has yet to have wider policy implications in Southeast Asia. No country in the region, including Malaysia, has raised barriers to free trade to protect local industries. On the contrary, Southeast Asian countries have stressed the need to export their way back to economic health. U.S. and IMF officials have been encouraged that Thailand's economy has begun to show the first signs of recovery, driven largely by increased exports.

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Reassessing long-term problems

Finally, the Southeast Asian crisis has caused both Southeast Asians and Americans to reflect on long-term issues affecting the region. Rapid industrialization has taken a heavy toll on Southeast Asia's environment. In the past two decades, the region's cities have become among the most polluted in the world. In the countryside, logging and agriculture are destroying delicate forest ecosystems at an alarming rate.

Government policies have often contributed to environmental harm. For example, energy prices have been kept low by government subsidies, resulting in waste and pollution. Likewise, the hunger for exports has led governments to overlook destructive logging and farming practices.

Education is another topic demanding attention. Most Southeast Asian countries have lagged behind East Asia as a whole in upgrading their educational systems. In Thailand, for example, only about half of the country's children between the ages of twelve and sixteen are in school. The average worker has only about five years of schooling. During the boom years of the 1990s, Thailand's economy was stymied by a shortage of skilled labor.

In the United States, the Southeast Asian crisis has raised questions about the role of the American business community in the developing world. Of particular concern is the impact of huge flows of money on the economic stability of developing countries. Critics of the free market have suggested extensive controls on financial markets. They also argue that U.S. corporations operating in Southeast Asia should take stronger measures to protect the environment and safeguard the rights of workers.

The future of the IMF has also divided Americans. For most of 1998, Congress held up President Clinton's request to provide the IMF with $18 billion in additional funding. The money was approved with the expectation that the IMF will operate more openly and grant loans that conform more closely with market rates.

Critics of the fund in Congress ranged from those who maintained that the IMF allowed bloated governments to avoid difficult reforms to those who held that the fund was bailing out rich Wall Street investors. The IMF's supporters, however, argued that the Southeast Asian crisis illustrated that the fund was more important than ever. Many agree that the IMF should better tailor its approach to individual countries, but favor strengthening the fund's ability to cushion the bumps of the global economy.

Conclusion

In the coming days, you will have an opportunity to consider a range of alternatives for U.S. policy toward the developing world. Each of the three viewpoints, or options, that you will explore is based on a distinct set of values and beliefs. Each takes a different perspective on our country's role in the world and the effectiveness of foreign aid and trade measures in promoting economic development. You should think of the options as a tool designed to help you better understand the contrasting strategies from which Americans must craft future policy. At the end of this unit, you will be asked to make your own choices about where U.S. policy should be heading.

Options in Brief

Option 1 — Share the American Dream

As never before, the United States today has an opportunity to spread democratic values and free-market economic principles worldwide. At this crucial moment of history, the peoples of the developing world are looking to us to guide them to a brighter future. The United States must take a leadership role in aiding developing countries. We should focus our foreign aid dollars on helping them enter the global marketplace. As the world's economic leader and strongest democracy, the United States has more to gain from the success of the democratic, free-market revolution than any other country. After committing trillions of dollars to winning the Cold War, we would be foolish not to stay the course to give our victory real meaning.

Option 2 — Join Hands for a Better World

The challenges facing the planet demand cooperation. Americans cannot fence themselves off from the suffering outside of their borders. Rather, we have to join with other nations to make the world a better place. The UN is in a unique position to lead the way. The United States should play a leading role in supporting an international effort to improve life in the developing world. The developing world has long served as a source of minerals, low-priced export crops, and cheap labor. Now the time has come to share the wealth. The people of developing countries have to be part of the decision-making process to promote sound, sustainable development. We cannot afford to ignore the problems of a planet that is growing ever smaller.

Option 3 — Put America First

For decades, U.S. foreign policy has been weighed down by the illusion that the United States could change the world. Now the time has come to recognize the lessons of recent history. American assistance has done little to relieve the poverty and misery that haunt much of the developing world. The United States should cut back on its spending abroad. Our limited resources should be targeted on promoting U.S. interests overseas, not on chasing hopeless dreams. Only foreign aid programs that are designed to meet specific American needs have a place in the U.S. budget. The rest should be cut. The United States has too many problems of its own to throw money at the problems of other countries. We owe it to our own citizens to acknowledge that charity begins at home.

Option 1

SHARE THE AMERICAN DREAM

As never before, the United States today has an opportunity to spread democratic values and free-market economic principles worldwide. The last decade has witnessed an unprecedented rush toward democracy and the free market. Countries throughout the world have come to recognize that neither Soviet communism nor the closed economic models of the Third World offer an alternative to our own political and economic system. The financial panic that began in Southeast Asia, however, poses a unique challenge to the United States. The remarkable gains that have been achieved are at risk. At this crucial moment of history, the peoples of the developing world are looking to us to guide them to a brighter future.

The United States must take a leadership role in aiding developing countries. To ease the transition toward democracy and the free market, Americans should take bolder measures in the developing world to encourage trade and investment. We should focus our foreign aid dollars on helping developing nations enter the global marketplace. Recipients of U.S. aid should be prodded to open their economies to free-market competition. American assistance should also be used as a lever to promote fair elections, an independent press, women's rights, and other important elements of a free society. As the globe's economic leader and strongest democracy, the United States has more to gain from the success of the democratic, free-market revolution than any other country. After committing trillions of dollars to winning the Cold War, we would be foolish not to stay the course to give our victory real meaning.

What guidelines should we follow?

Goals and methods: The United States should encourage free-market economics, democracy, and other fundamental American values in the developing world. U.S. aid should be used as a tool to promote positive change and broaden the international trading system. Assistance should be denied to governments that violate human rights or block the path to economic reform. To create fairer, more just societies, we should press for the rights of women and minority groups.

Spending priorities: U.S. aid should be concentrated on developing countries that have shown a commitment to economic reform and democracy. Spending on economic aid should be increased, while security assistance should be reduced. Countries that have taken the boldest steps toward the free market, such as Thailand and Brazil, should be given special help to weather financial setbacks. Overall spending on U.S. foreign aid should increase to $20 billion annually.

Policy steps: The United States should emphasize aid programs that develop laws and regulations necessary for a free-market economic system, ensure fair elections, promote the rights of women and minority groups, spur the creation of small businesses, and control population growth. The United States should lower trade barriers and cancel debts to reward countries that make the most progress toward economic reform and democracy. We should also use our influence to press the UN, the IMF, and the World Bank to adopt policies similar to our own.

Option 1 is based on the following beliefs

- Foreign aid is an essential tool of U.S. foreign policy.
- Well-designed economic assistance programs are effective in promoting free-market reform and furthering democratic values in poor countries.
- Maintaining America's international leadership is essential for global peace and prosperity, especially in times of economic turmoil.

PROS SUPPORTING ARGUMENTS

1. Increasing the number of countries that share the values of free-market economics and democracy will advance the cause of international peace.
2. Investing in the development of emerging free-market economies will pay off in the form of new trade and investment opportunities for Americans.

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3. Helping improve life in developing countries will reduce anti-American feelings overseas and restore America's position of international leadership.

CONS OPPOSING ARGUMENTS

1. By acting alone in aiding the developing world, the United States will undermine international cooperation in addressing global problems, such as environmental crises, the spread of nuclear weapons, and AIDS.
2. Pressuring poor countries to accept our political and economic values will trigger an anti-American backlash in the developing world.
3. Closing down foreign aid programs in countries with non-democratic governments only punishes the poor, not the people in power.
4. Failure to coordinate our foreign aid efforts with those of other developed countries and the UN will create confusion and inefficiency in the developing world.
5. Imposing rigid economic reform programs on developing countries will worsen living conditions for the poorest of the poor and push more economies into recession.

Option 2

Join Hands for a Better World

The challenges facing the planet demand cooperation. Whether it is the destruction of the rainforest in the Amazon Basin, a deadly epidemic in central Africa, an economic depression in Southeast Asia, or a refugee crisis in the former Soviet Union, problems around the world affect us all. Americans cannot fence themselves off from the suffering outside of their borders. Rather, we have to join with other nations to make the world a better place. The UN is in a unique position to lead the way. With the divisions of the Cold War gone, the member states of the UN are now able to work together to reduce poverty worldwide. The UN's campaign for sustainable economic development is gaining acceptance as a common goal for humanity.

The United States should play a leading role in supporting an international effort to improve life in the developing world. That does not mean that we should run roughshod over the beliefs and traditions of peoples in developing countries. For centuries, the relationship between rich and poor nations has too often been marked by exploitation. The developing world has long served as a source of minerals, low-priced export crops, and cheap labor. Now the time has come to share the wealth. The people of developing countries have to be part of the decision-making process to promote sound, sustainable development. The protection of the environment must be balanced with the need for economic growth. The drive to increase exports must not come at the expense of small farmers or traditional cultures. The emphasis on promoting free-market principles must give way to concern for poor workers and farmers. Contributing to successful development programs will require us to increase our foreign aid budget, but the cost of doing nothing is far greater. We cannot afford to ignore the problems of a planet that is growing ever smaller.

What guidelines should we follow?

Goals and methods: The United States should cooperate with other nations through the UN to promote sustainable development in the developing world. Priority should go toward helping the poorest of the world's poor. International aid programs should be designed to conform with the beliefs and traditions of recipient countries. Rapid economic and political reform should be rejected if the resulting social changes would be too disruptive. Likewise, economic growth should not cause environmental harm.

Spending priorities: The U.S. foreign aid budget should be channeled into UN programs. Spending priorities should be set by the member states of the UN. U.S. military aid should be phased out. Overall spending on U.S. foreign aid should increase to $30 billion annually.

Policy steps: The United States should encourage the UN to emphasize aid programs that improve basic health care, enhance child nutrition, increase the output of small farmers, and protect the environment. The United States should press for changes in international trade rules to promote exports from developing countries. The United States also should work with other developed countries, as well as with the IMF and the World Bank, to reduce the debt burden of the developing world.

Option 2 is based on the following beliefs

- Wealthy nations, such as the United States, have a moral obligation to help the people of the developing world improve their lives.
- Economic assistance programs should place the needs of people and the environment ahead of the principles of free-market economic reform.
- The UN should take the lead in defining the priorities for economic assistance programs in the developing world.

PROS

SUPPORTING ARGUMENTS

1. Involving developing countries in the design of assistance programs will ensure that foreign aid effectively and efficiently meets vital human needs.
2. Strengthening international cooperation is our only hope for solving global problems — such as environmental crises, the spread of nuclear weapons, and AIDS — that extend beyond national boundaries.

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3. By promoting global cooperation, the United States will once and for all do away with its image as an international bully and gain greater respect from other nations.

CONS

OPPOSING ARGUMENTS

1. Giving aid to the rulers of developing countries with few strings attached will serve to prop up corrupt, dictatorial regimes that oppose reform.
2. Turning over greater authority to the UN will pump new life into an organization long known for its waste and mismanagement, and weaken the international influence of the United States.
3. Providing more handouts to the people of the developing world will undermine the spirit of self-reliance and initiative that the poor need to lift themselves out of poverty.
4. Adding billions to the foreign aid budget will draw money away from urgent problems here at home, such as crime, health care, and the budget deficit.
5. Emphasizing sustainable development over economic reform will give officials in the developing world an excuse to maintain government control over their economies.

Option 3

Put America First

For decades, U.S. foreign policy has been weighed down by the illusion that the United States could change the world. Now the time has come to recognize the lessons of recent history. American assistance has done little to relieve the poverty and misery that haunt much of the developing world. Rather, most of our foreign aid since World War II has been squandered on corrupt, incompetent dictators. Countries that have made progress toward prosperity have moved forward because of their own initiative, not due to outside help. Tearing down past illusions may be painful, but admitting the truth is the first step toward developing sound policy.

The United States should cut back on its spending abroad. Our limited resources for programs overseas should be targeted on promoting U.S. interests, not on chasing hopeless dreams. Only foreign aid projects that are designed to meet specific American needs have a place in the U.S. budget. The rest should be cut. U.S. assistance, for example, should be directed toward opening markets for American exports and strengthening key military alliances. Projects that aim to dismantle nuclear weapons in the former Soviet Union or stop the spread of AIDS should be given high priority. In the meantime, we should give up on the notion of development aid. Meddling in other societies seldom produces the desired results, and often triggers a backlash against the United States. Working through the UN and other international organizations only compounds the waste and inefficiency. The United States has too many problems of its own to throw money at the problems of other countries. We owe it to our own citizens to acknowledge that charity begins at home.

What guidelines should we follow?

Goals and methods: The United States should use foreign aid to promote its security and trade interests. U.S. aid should serve to reward our allies. Countries that act against U.S. interests should be denied American aid, except for emergency relief. Recipients of U.S. aid should be required to spend the funds they receive on American goods and services.

Spending priorities: U.S. aid should be limited to a few key military allies and important trading partners in the developing world. Assistance should also be provided to prevent crises that would directly affect the United States. For example, the United States should take an active role in stabilizing Caribbean and Central American countries, such as Haiti, that are most likely to be a source of refugees seeking entry into United States. Overall spending on U.S. foreign aid should decrease to $8 billion annually.

Policy steps: The United States should emphasize aid programs that dismantle nuclear weapons in the former Soviet Union, strengthen the defense of key U.S. allies, and introduce American products to potential trading partners in the developing world. We should also use our influence with the IMF and the World Bank to ensure that they press developing countries to adopt free-market principles and lower barriers to trade and investment.

Option 3 is based on the following beliefs

- Economic assistance programs typically foster dependency and corruption in poor countries.
- The growth in private foreign investment and global trade has largely eliminated the need for foreign aid in developing countries.
- Sticking to free-market economic principles and enforcing the rule of law — not foreign aid — are the only means by which poor countries can pull themselves out of poverty.

PROS

SUPPORTING ARGUMENTS

1. Cutting off U.S. foreign aid will force many countries to seriously undertake economic reform and reduce government waste.
2. Trimming the foreign aid budget will free up resources needed to solve problems here in the United States.

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3. Concentrating U.S. foreign aid on countries in which we have a clear interest will allow us to stretch our tax dollars further.

CONS

OPPOSING ARGUMENTS

1. Selfishly pursuing our own interests in the developing world will undercut the ability of the UN to deal with global problems, such as the population explosion, environmental pollution, and the spread of AIDS.
2. Cutting back our foreign aid programs at a time when billions of people in the developing world need our help will bring down the U.S. position of international leadership.
3. Denying aid to reform-minded governments in the developing world will reverse the global momentum toward democracy and the free-market economic system.
4. Closing down foreign aid operations in some of the world's most desperate countries will open the door to famine and chaos, and will eventually require a costly emergency response by the international community.
5. Abandoning our commitments to the UN and other international organizations will spark resentment among our closest allies and damage our international reputation.

Focusing Your Thoughts

Instructions: You have had an opportunity to consider three options for U.S. policy toward the developing world. Now it is your turn to look at each of the options from your own perspective. Try each one on for size. Think about how the options address your concerns and hopes. You will find that each has its own risks and trade-offs, advantages and disadvantages. After you complete this worksheet, you will be asked to develop your own option on this issue.

Ranking the Options

Which of the options below do you prefer? Rank the options from "1" to "3," with "1" being your first choice.

___ **Option 1: Share the American Dream**

___ **Option 2: Join Hands for a Better World**

___ **Option 3: Put America First**

Beliefs

Rate each of the statements below according to your personal beliefs:

1 = Strongly Support
2 = Support
3 = Oppose
4 = Strongly Oppose
5 = Undecided

___ Meddling in the development of other societies is counter-productive and dangerous.

___ Changing outmoded traditions and backward customs is in the best interests of people in developing countries.

___ The problems of developing countries are America's problems too, and can be solved only through global cooperation.

___ Economic growth is a worthwhile goal only if it fits into a long-term plan to protect the environment and the larger society.

___ Competition is, and will continue to be, the driving force of international relations.

___ The greatest threats facing the United States are all at home: mediocre schools, crime, and an inadequate health care system.

___ Aid programs rob people of their initiative and chip away at their dignity.

___ Democracy and the free-market economic system should serve as the foundation for all societies.

___ As citizens of the richest country in the world, Americans have an obligation to improve the lives of the world's poor.

Creating Your Own Option

Your next assignment is to create an option that reflects your own beliefs and opinions. You may borrow heavily from one option, or you may combine ideas from two options. Or you may take a new approach altogether. There are, of course, no perfect solutions. And there is no right or wrong answer. Rather, you should strive to craft an option that is logical and persuasive. Be careful of contradictions. For example, we should not channel most of our foreign aid budget into UN programs if we want to use foreign aid as a tool to promote democracy and free-market economic principles.

Supplementary Document

President John F. Kennedy's Message to Congress on Foreign Aid, 1961

(In the following speech, delivered on March 22, 1961, President Kennedy laid out the principles and organizational structure that were to set the course of U.S. foreign aid policy for the remainder of the Cold War and lead to the creation of AID.)

This nation must begin any discussion of "foreign aid" in 1961 with the recognition of three facts:

1. Existing foreign aid programs and concepts are largely unsatisfactory and unsuited for our needs and for the needs of the underdeveloped world as it enters the 1960s

2. The economic collapse of those free but less-developed nations which now stand poised between sustained growth and economic chaos would be disastrous to our national security, harmful to our comparative prosperity, and offensive to our conscience.

3. There exists, in the 1960s, a historic opportunity for a major economic assistance effort by the free industrialized nations to move more than half the people of the less-developed nations into self-sustained economic growth, while the rest move substantially closer to the day when they, too, will no longer have to depend on outside assistance.

I

Foreign aid — America's unprecedented response to world challenges — has not been the work of one party or one administration. It has moved forward under the leadership of two great Presidents — Harry Truman and Dwight Eisenhower — and drawn its support from forward-looking members of both political parties in the Congress and throughout the nation.

Our first major foreign aid effort was an emergency program of relief—of food and clothing and shelter—to areas devastated by World War II. Next we embarked on the Marshall Plan—a towering and successful program to rebuild the economies of Western Europe and prevent a Communist takeover. This was followed by point 4 — an effort to make scientific aid and technological advances available to the people of developing nations. And recently the concept of development assistance, coupled with the OECD [Organization for Economic Cooperation and Development], has opened the door to a united free world effort to assist the economic and social development of the less-developed areas of the world.

To achieve this new goal we will need to renew the spirit of common effort which lay behind our past efforts — we must also revise our foreign aid organization, and our basic concepts of operation to meet the new problems which now confront us.

For no objective supporter of foreign aid can be satisfied with the existing program — actually a multiplicity of programs. Bureaucratically fragmented, awkward and slow, its administration is diffused over a haphazard and irrational structure covering at least four departments and several other agencies. The program is based on a series of legislative measures and administrative procedures conceived at different times and for different purposes, many of them now obsolete, inconsistent, and unduly rigid and thus unsuited for our present needs and purposes. Its weaknesses have begun to undermine confidence in our effort both here and abroad.

The program requires a highly professional skilled service, attracting substantial numbers of high-caliber men and women capable of sensitively dealing with other governments, and with a deep understanding of the process of economic development. However, uncertainty and declining public prestige have all contributed to a fall in the morale and efficiency of those employees in the field and are repeatedly frustrated by the delays and confusion caused by overlapping agency jurisdictions and unclear objectives. Only the persistent efforts of those dedicated and hard-working public servants, who have kept the program going, managed to bring some success to our efforts overseas.

In addition, uneven and undependable short-term financing has weakened the incentive for the long-term planning and self-help by the recipient nations which are essential to serious economic development. The lack of stability and continuity in the program — the necessity to accommodate all planning to a yearly deadline — when combined with a confusing multiplicity of American aid agencies within a single nation abroad — have reduced the

effectiveness of our own assistance and made more difficult the task of setting realistic targets and sound standards. Piecemeal projects, hastily designed to match the rhythm of the fiscal year, are no substitute for orderly long-term planning. The ability to make long-range commitments has enabled the Soviet Union to use its aid program to make developing nations economically dependent on Russian support — thus advancing the aims of world communism.

Although our aid programs have helped to avoid economic chaos and collapse, and assisted many nations to maintain their independence and freedom — nevertheless, it is a fact that many of the nations we are helping are not much nearer sustained economic growth than they were when our aid operation began. Money spent to meet crisis situations or short-term political objectives while helping to maintain national integrity and independence has rarely moved the recipient nation toward greater economic stability.

II

In the face of these weaknesses and inadequacies — and with the beginning of a new decade of new problems — it is proper that we draw back and ask with candor a fundamental question: Is a foreign aid program really necessary? Why should we not lay down this burden which our nation has now carried for some fifteen years?

The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations — our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent on the loans from abroad that once helped to develop our own economy — and our political obligations as the single largest counter to the adversaries of freedom.

To fail to meet those obligations now would be disastrous; and, in the long run, more expensive. For widespread poverty and chaos lead to a collapse of existing political and social structures, which would inevitably invite the advance of totalitarianism into every weak and unstable area. Thus our own security would be endangered and our prosperity imperiled. A program of assistance to the underdeveloped nations must continue because the nation's interest and the cause of political freedom require it.

We live at a very special moment in history. The whole southern half of the world — Latin America, Africa, the Middle East, and Asia — are caught up in the adventures of asserting independence and modernizing their old ways of life. These new nations need aid in loans and technical assistance just as we in the northern half of the world drew successively on one another's capital and know-how as we moved into industrialization and regular growth.

But in our time these new nations need help for a special reason. Without exception they are under Communist pressure. In many cases, the pressure is direct and military. In others, it takes the form of intense subversive activity designed to break down and supersede the new — and often frail — modern institutions they have thus far built.

But the fundamental task of our foreign aid program in the 1960s is not negatively to fight communism: Its fundamental task is to help make a historical demonstration that in the 20th century, as in the 19th — in the southern half of the globe as in the north — economic growth and political democracy can develop hand in hand.

In short we have not only obligations to fulfill; we have great opportunities to realize. We are, I am convinced, on the threshold of a truly united and major effort by the free industrialized nations to assist the less-developed nations on a long-term basis. Many of these less-developed nations are on the threshold of achieving sufficient economic, social, and political strength and self-sustained growth to stand permanently on their own feet. The 1960s can be — and must be — the crucial "decade of development" — the period when many less-developed nations make the transition into self-sustained growth — the period in which an enlarged community of free, stable, and self-reliant nations can reduce world tensions and insecurity. This goal is in our grasp if, and only if, the other industrialized nations now join us in developing with the recipients a set of commonly agreed criteria, a set of long-range goals, and a common undertaking to meet those goals, in which each nation's contribution is related to the contributions of others and to the precise needs of each less-developed nation. Our job, in its largest sense, is to create a new partnership between the northern and southern halves of the world, to which all free nations can contribute, in which each free nation must assume a responsibility proportional to its means.

We must unite the free industrialized nations in

a common effort to help those nations within reach of stable growth get underway. And the foundation for this unity has already been laid by the creation of the OECD under the leadership of President Eisenhower. Such a unified effort will help launch the economies of the newly developing countries "into orbit" — bringing them to a stage of self-sustained growth when extraordinary outside assistance is not required. If this can be done — and I have every reason to hope it can be done — then this decade will be a significant one indeed in the history of free men.

But our success in achieving these goals, in creating an environment in which the energies of struggling peoples can be devoted to constructive purposes in the world community — and our success in enlisting a greater common effort toward this end on the part of other industrialized nations — depends to a large extent upon the scope and continuity of our own efforts. If we encourage recipient countries to dramatize a series of short-term crises as a basis for our aid — then we will dissipate our funds, our good will and our leadership. Nor will we be any nearer to either our security goals or to the end of the foreign aid burden.

In short, this Congress at this session must make possible a dramatic turning point in the troubled history of foreign aid to the underdeveloped world. We must say to the less-developed nations, if they are willing to undertake necessary internal reform and self-help — and to the other industrialized nations, if they are willing to undertake a much broader effort on a much broader scale — that we then intend during this coming decade of development to achieve a decisive turnaround in the fate of the less-developed world, looking toward the ultimate day when all nations can be self-reliant and when foreign aid will no longer be needed.

However, this will not be an easy task. The magnitude of the problems is staggering. In Latin America, for example, population growth is already threatening to outpace economic growth — and in some parts of the continent living standards are actually declining. In 1945 the population of our twenty sister American Republics was 145 million. It is now greater than that of the United States, and by the year 2000, less than forty years away, Latin American population will be 592 million, compared with 312 for the United States. Latin America will have to double its real income in the next thirty years simply to maintain already low standards of living. And the problems are no less serious or demanding in the other developing areas of the world. Thus to bring real economic progress to Latin America and to the rest of the less-developed world will require a sustained and united effort on the part of the Latin American Republics, the United States, and our free world allies.

This will require leadership, by this country in this year. And it will require a fresh approach — a more logical, efficient, and successful long-term plan — for American foreign aid. I strongly recommend to the Congress the enactment of such a plan, as contained in a measure to be sent shortly to the Congress and described below.

III

If our foreign aid funds are to be prudently and effectively used, we need a whole new set of basic concepts and principles:

1. Unified administration and operation — a single agency in Washington and the field, equipped with a flexible set of tools, in place of several competing and confusing aid units.

2. Country plans — a carefully thought through program tailored to meet the needs and the resource potential of each individual country, instead of a series of individual, unrelated projects. Frequently, in the past, our development goals and projects have not been undertaken as integral steps in a long-range economic development program.

3. Long-term planning and financing — the only way to make meaningful and economical commitments.

4. Special emphasis on development loans repayable in dollars — more conducive to business-like relations and mutual respect than sustaining grants or loans repaid in local currencies, although some instances of the latter are unavoidable.

5. Special attention to those nations most willing and able to mobilize their own resources, make necessary social and economic reforms, engage in long-range planning, and make the other efforts necessary if these are to reach the stage of self-sustaining growth.

6. Multilateral approach — a program and level of commitments designed to encourage and complement an increased effort by other industrialized nations.

7. A new agency with new personnel — drawing

upon the most competent and dedicated career servants now in the field, and attracting the highest quality from every part of the nation.

8. Separation from military assistance — our program of aid to social and economic development must be seen on its own merits, and judged in the light of its vital and distinctive contribution to our basic security needs.

IV

I propose that our separate and often confusing aid programs be integrated into a single administration embracing the present Washington and field operations of —

A. The International Cooperation Administration [ICA] and all its technical assistance [point 4] and other programs;

B. The Development Loan Fund [DLF];

C. The food-for-peace program [Public Law 480] in its relations with other countries, while also recognizing its essential role in our farm economy;

D. The local currency lending activities of the Export-Import Bank;

E. The Peace Corps, recognizing its distinctive contribution beyond the area of economic development;

F. The donation of nonagricultural surpluses from other national stockpiles of excess commodities or equipment;

G. All other related staff and program services now provided by the Department of State as well as the ICA.

The fieldwork in all these operations will be under the direction of a single mission chief in each country reporting to the American ambassador. This is intended to remove the difficulty which the aided countries and our own field personnel sometimes encounter in finding the proper channel of decision making. Similarly, central direction and final responsibility in Washington will be fixed in an administrator of a single agency — reporting directly to the Secretary of State and the President — working though Washington directors for each major geographical area, and through the directors of the constituent resource units whose functions are drawn together in each national plan: a development lending organization, food-for-peace, the Peace Corps, and a unit for technical and other assistance stressing education and human resources — initiating a program of research, development, and scientific evaluation to increase the effectiveness of our aid effort; and, in addition, the Secretary of State will coordinate with economic aid the military assistance program administered by the Department of Defense, the related operations of the Export-Import Bank, and the role of the United States in the Inter-American Fund for Social Progress and activities of international organizations.

Under the jurisdiction of both the Secretary of State in Washington and the ambassadors in the field, foreign aid can more effectively play its part as an effective instrument of our overall efforts for world peace and security. The concentration of responsibilities and increased status will both require and attract high-caliber personnel. Programs such as the Peace Corps and food-for-peace, far from being submerged, will be used more effectively and their distinctive identity and appeal preserved — and food-for-peace will continue to be based on availabilities determined by the Department of Agriculture.

But I am not proposing merely a reshuffling and relabeling of old agencies and their personnel without regard to their competence. I am recommending the replacement of these agencies with a new one — a fresh start under new leadership.

V

But new organization is not enough. We need a new working concept.

At the center of the new effort must be national development programs. It is essential that the developing nations set for themselves sensible targets; that these targets be based on balanced programs for their own economic, education, and social growth — programs which use their own resources to the maximum. If planning assistance is required, our own aid organization will be prepared to respond to requests for such assistance, along with the International Bank for Reconstruction and Development and other international and private institutions. Thus, the first requirement is that each recipient government seriously undertake to the best of its ability on its own those efforts of resource mobilization, self-help, and internal reform — including land reform, tax reform, and improved education and social justice — which its own development requires and which would increase its capacity to absorb external capital productively.

These national development programs — and the kind of assistance the free world provides — must be tailored to the recipients' current stage of development and their foreseeable potential. A large infusion of development capital cannot now be absorbed by many nations newly emerging from a wholly underdeveloped condition. Their primary need at first will be the development of human resources, education, technical assistance, and the groundwork of basic facilities and institutions necessary for further growth. Other countries may possess the necessary human and material resources to move toward status as developing nations, but they need transitional assistance from the outside to enable them to mobilize those resources and move into the more advanced stage of development where loans can put them on their feet. Still others already have the capacity to absorb and effectively utilize substantial investment capital.

Finally, it will be necessary, for the time being, to provide grant assistance to those nations that are hard pressed by external or internal pressure so that they can meet those pressures and maintain their independence. In such cases it will be our objective to help them, as soon as circumstances permit, make the transition from instability and stagnation to growth; shifting our assistance as rapidly as possible from a grant to a development loan basis. For our new program should not be based merely on reaction to Communist threats or short-term crises. We have a positive interest in helping less-developed nations provide decent living standards for their people and achieve sufficient strength, self-respect, and independence to become self-reliant members of the community of nations. And thus our aid should be conditioned on the recipients' ability and willingness to take the steps necessary to reach that goal.

To meet the varied needs of many nations, the new aid administration will have a flexible set of tools, coordinated and shaped to fit each national development program: the grant or sale (for either local currency or dollars with special repayment terms) of surplus foods, equipment and other items; technical assistance; skilled manpower from the Peace Corps; development grants; transitional, sustaining, or emergency grants; development loans repayable in dollars, with special terms of repayment that will meet the needs of the recipient country. These tools will be coordinated with the activities of the Export-Import Bank, and with loan and investment guarantees to private enterprise.

The instrument of primary emphasis — the single most important tool — will be long-term development loans at low or no rates of interest, repayable in dollars, and designed to promote growth in those less-developed nations which have a real chance for ultimate self-reliance but which lack the ability to service loans from normal lending institutions. The terms of repayment will vary from as long as 50 years for those countries just starting on the road to development, to a much shorter period of time for those countries that are nearing the stage of self-sufficient growth.

Such long-term loans are preferable to outright grants, or "soft loans" repayable in local currencies that are of little benefit to the American taxpayer. The emphasis on low or interest-free loans is not designed to undercut other institutions. The objective is to rely on flexibility in the repayment period and the requirement of ultimate dollar repayment for insuring strict accountancy while meeting individual needs in an area not met by suppliers of capital on normal terms.

Lending on these terms is not normal banking practice. We are banking on the emergence over coming years and decades of a group of independent, growing, self-reliant nations.

VI

A program based on long-range plans instead of short-run crises cannot be financed on a short-term basis. Long-term authorization, planning, and financing are the key to the continuity and efficiency of the entire program. If we are unwilling to make such a long-term commitment, we cannot expect any increased response from other potential donors or any realistic planning from the recipient nations.

I recommend, therefore, an authorization for the new aid agency of not less than five years, with borrowing authority also for five years to commit and make dollar repayable loans within the limits spelled out below. No other step would be such a clear signal of our intentions to all the world. No other step would do more to eliminate the restrictions and confusion which have rendered the current foreign aid program so often ineffective. No other step would do more to help obtain the service of top-flight personnel. And in no other way can we encourage the less-developed nations to make a sustained national effort over a long-term period.

For, if we are to have a program designed to

brighten the future, that program must have a future. Experience has shown that long-range needs cannot be met evenly and economically by a series of one-year programs. Close consultation and cooperation with the Congress and its committees will still be essential, including an annual review of the program.

And we will still need annual appropriations of those amounts needed to meet requirements for which dollar repayable loans would be unsuitable. These appropriations should be available until spent in order to avoid any wasteful rush to obligate funds at the end of a fiscal year.

The new continuity and flexibility this kind of long-term authority will bring cannot help but result in more productive criteria, a greater effort on the part of the developing nations, greater contributions from our more prosperous allies, more solid results, and real long-run economy to the taxpayers. The new emphasis on long-term plans and realistic targets will give both the Congress and the Executive a better basis for evaluating the validity of our expenditures and progress.

VII

A long-term program and borrowing authority, even though limited, will enable us to demonstrate the seriousness of our intentions to other potential donors and to the less-developed world. Over the next five years, the economic program here proposed, together with an expanded food-for-peace program as recommended in my agricultural messages, and project loans by the Export-Import Bank, will constitute direct U.S. economic assistance activity of considerable magnitude.

It will, however, take time to institute the new concepts and practices which are proposed. Thus, during this initial year, wile we will need to make the necessary long-term commitments for development lending, it is unnecessary to ask the Congress for any additional funding for this year's program.

Consequently, while the funds requested by my predecessor will be sharply shifted in terms of their use and purpose, I am asking the Congress for a total foreign aid budget of new obligational authority no greater than that requested in the rock-bottom budget previously submitted [$4 billion] despite the fact that the number of new nations needing assistance is constantly increasing; and, though increasing such authority for nonmilitary aid while reducing military assistance, this budget provides for a level of actual expenditures on nonmilitary aid no greater than reflected in the previous budget [$1.9 billion]. [These figures do not, of course, reflect Public Law 480 operations.]

In deciding on this program, I have also carefully considered its impact on our balance of payments. We are now putting maximum emphasis, in both our development lending and grant aid programs, on the procurement of goods and services of U.S. origin. As I pointed out in my message on the balance of payments, under present procedures not more than 20 percent of foreign economic aid expenditures will affect our balance of payments. This means that approximately $2 billion out of the requested $2.4 billion in economic aid will be spent directly for goods and services benefiting the American economy.

This is important. For not only do we have the highest gross national product, both total and per capita, of any country in the world, thus making clear both our obligations and our capacity to do our full part, but we are currently underutilizing our great economic capacity because of economic recession and slack. Less than 80 percent of our industrial capacity is now in use, and nearly 7 percent of our labor force is unemployed. Under these circumstances cutbacks in the foreign aid program would be felt not only in loss of economic progress and hope abroad but in loss of markets and income for business, labor, and agriculture at home.

In short, this program will not in whole or in part unbalance the previous budget in any fashion. Its impact on our balance of payments will be marginal. And its benefits for our domestic economy should not be overlooked.

The $4 billion previously requested for fiscal year 1962 will be reallocated under this new program as follows:

Military assistance will be reduced from the $1.8 billion requested to $1.6 billion, as discussed below.

Economic assistance, with a much greater portion going to development loans, a small increase in development grants, and a reduction in sustaining grants, will total $2.4 billion.

Of this $1.5 billion will be contained in the usual annual appropriation of new obligational authority to finance the part of the program that is not suitable for dollar development loans: grants for education, social progress and institutional development, the Peace

Corps, and sustaining aid. Nine hundred million dollars will be available for long-term low or interest-free development loans to be repaid in dollars, financed through an authorization of public debt borrowing authority which would also provide no more than $1.6 billion for each of the succeeding four years. Also to be made available for such loans under the new system of full coordination will be the unappropriated dollar funds now coming in repayment of the principal and interest on certain previous loans to foreign governments [Britain, the Economic Cooperation Administration, the Government and Relief in Occupied Areas, and others — but not the Export-Import Bank].

VIII

The economic programs I am recommending in this message cannot succeed without peace and order. A vital element toward such stability is assurance of military strength sufficient to protect the integrity of these emerging nations while they are advancing to higher and more adequate levels of social and economic well-being.

I shall therefore request the Congress to provide at this time $1.6 billion for provision of military assistance. This figure is the amount to meet the U.S. share in maintaining forces that already exist, and to honor firm existing commitments for the future.

I am frank to say that we cannot now say with precision whether this amount will meet the minimum level of military aid which our basic security policy might demand this year. The emergence of new crises or new conflicts may require us to make an even greater effort.

However, while I have mentioned in this message the amount to be allocated to military assistance, those funds, while coordinated with the policies of the new agency, will not be administered by it and should not be included in its appropriation. In order to make clear the peaceful and positive purposes of this program, to emphasize the new importance this administration places on economic and social development quite apart from security interests, and to make clear the relation between the military assistance program and those interests, I shall propose a separate authorization for military assistance with appropriations as part of the defense budget. Moreover, to the extent that world security conditions permit, military assistance will in the future more heavily emphasize the internal security, civil works, and economic growth of the nations thus aided. By this shift in emphasis, we mean no lessening of our determination to oppose local aggression wherever it may occur. We have demonstrated our will and ability to protect free world nations — if they so desire — from the type of external threat with which many of them are still confronted. We will not fall short on this.

IX

The levels of which this new program is based are the minimum resulting from a hard reappraisal of each type of assistance and the needs of the less-developed world. They demonstrate both to the less-developed nations and to the other industrialized nations that this country will meet its fair share of effort necessary to accomplish the desired objective, and their effort must be greater as well. These are the rock-bottom minimum of funds necessary to do the job. To provide less would be wasteful, perhaps more wasteful, than to provide more. Certainly it would be wasteful to the security interest of the free world.

But I am hopeful that the Congress will not provide less. Assistance to our fellow nations is a responsibility which has been willingly assumed and fashioned by two great Presidents in the past, one from each party — and it has been supported by the leaders of both parties in both Houses who recognized the importance of our obligations.

I believe the program which I have outlined is both a reasonable and sensible method of meeting those obligations as economically and effectively as possible. I strongly urge its enactment by the Congress in full awareness of the many eyes upon us — the eyes of other industrialized nations, awaiting our leadership for a stronger united effort — the eyes of our adversaries, awaiting the weakening of our resolve in this new area of international struggle — the eyes of the poorer peoples of the world, looking for hope and help, and needing an incentive to set realistic long-range goals — and, finally, the eyes of the American people, who are fully aware of their obligations to the sick, the poor, and the hungry, wherever they may live. Thus, without regard to party lines, we shall take this step not as Republicans or as Democrats but as leaders of the free world. It will both befit and benefit us to take this step boldly. For we are launching a decade of development on which will depend, substantially, the kind of world in which we and our children shall live.

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Help, Handout, or Hindrance: U.S. Support for the Developing World is part of a continuing series on current and historical international issues published by the Choices for the 21st Century Education Project at Brown University. Choices materials place special emphasis on the importance of educating students in their participatory role as citizens.

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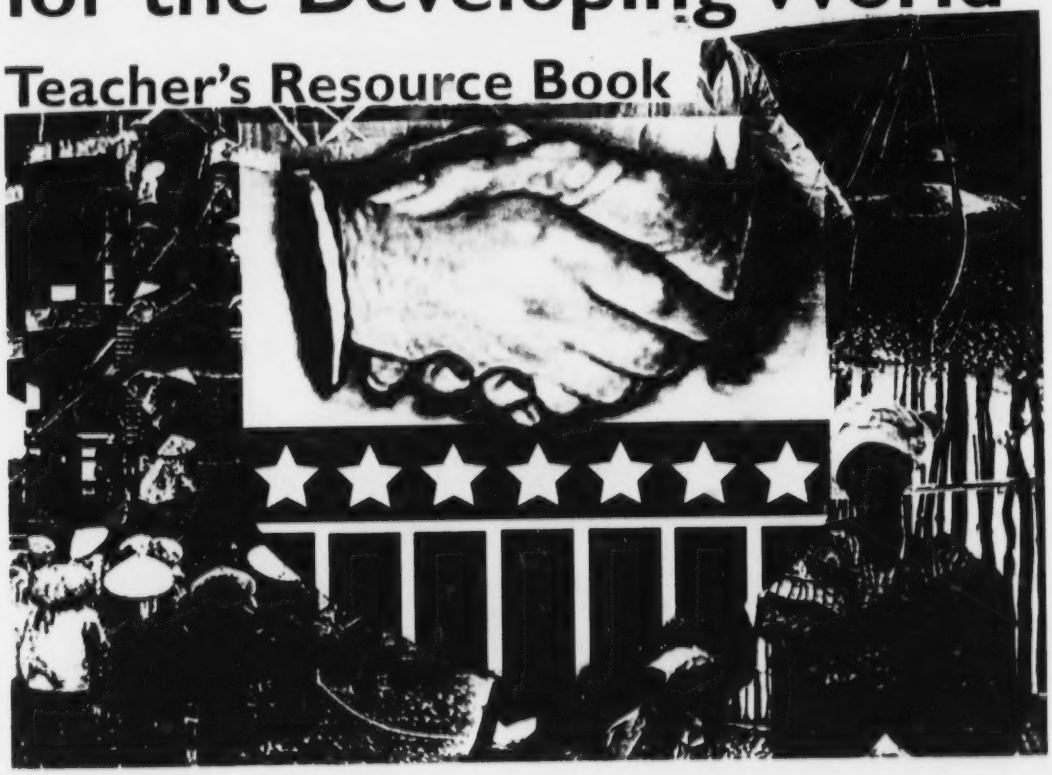

PUBLIC POLICY DEBATE IN THE CLASSROOM

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Director
Susan Graseck

Curriculum Developer
Mark Malkasian

Coordinator of Public Programs
Megan Secatore

Program Associates
Lucy Mueller

Staff Associate
Anne Campau Prout

Office Assistant
Cynthia Manzotti

Research Associates
Don Bakker
Patricia Keenan-Byrne

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Thomas J. Biersteker
Director

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About the Choices Approach

Choices for the 21st Century curricula are designed to make complex international issues understandable and meaningful for students. Using an innovative approach to student-centered instruction, Choices units develop critical thinking and civic judgment — essential ingredients of responsible citizenship.

Understanding the Significance of History: Each Choices unit provides students with a thorough introduction to the topic under consideration. Students gain an understanding of the historical background and the status of current issues. In this way, they see how history has shaped our world. With this foundation, students are prepared to thoughtfully consider a variety of perspectives on public policy.

Exploring Policy Alternatives: Each Choices unit is built around a framework of alternative policy options that challenges students to consider multiple perspectives and to think critically about the issue at hand. Students are best able to understand and analyze the options through a cooperative learning/role-play activity. In groups, students explore their assigned options and plan short presentations. The setting of the role-play may be a Congressional hearing, meeting of the National Security Council, or an election campaign forum. Student groups defend their policy options and, in turn, are challenged with questions from their classmates. The ensuing debate demands analysis and evaluation of the many conflicting values, interests, and priorities reflected in the options.

Exercising Civic Judgment: Armed with fresh insights from the role-play and debate, students are challenged to articulate original, coherent policy options that reflect their own values, priorities, and goals as individuals and citizens. Students' views can be expressed in letters to Congress or the White House, editorials for the school or community newspaper, persuasive speeches, or visual presentations.

Why Use the Choices Approach? Choices curricula are informed by current educational research about how students learn best. Studies have consistently demonstrated that students of all abilities learn best when they are actively engaged with the material rather than listening passively to a lecture. Student-centered instructional activities motivate students and develop higher-order thinking skills. However, some high school educators find the transition from lecture format to student-centered instruction difficult. Lecture is often viewed as the most efficient way to cover the required material. Choices curricula offer teachers a flexible resource for covering course material while actively engaging students and developing skills in critical thinking, persuasive writing, and informed citizenship. The instructional activities that are central to Choices units can be valuable components in any teacher's repertoire of effective teaching strategies. Each Choices unit includes student readings, a framework of policy options, suggested lesson plans, and resources for structuring cooperative learning, role-plays, and simulations. Students are challenged to:

- recognize relationships between history and current issues
- analyze and evaluate multiple perspectives on an issue
- understand the internal logic of a viewpoint
- engage in informed debate
- identify and weigh the conflicting values represented by different points of view
- reflect upon personal values and priorities surrounding an issue
- develop and articulate original viewpoints on an issue
- communicate in written and oral presentations
- collaborate with peers

Teachers who use Choices units say the collaboration and interaction that take place are highly motivating for students. Opportunities abound for students to contribute their individual talents to the group presentations in the form of political cartoons, slogans, posters, or characterizations. These cooperative learning lessons invite students to take pride in their own contributions and the group product, enhancing students' self-esteem and confidence as learners. Choices units offer students with diverse abilities and learning styles the opportunity to contribute, collaborate, and achieve.

Note to Teachers

Since the end of the Cold War, the configuration of international relations has radically changed. The collapse of the Soviet Union took with it the East-West conflict that dominated world affairs for more than four decades. In its place, the North-South division has emerged as the most important framework for reconceptualizing international relations. How the United States responds to the problems and challenges of the countries of the South will undoubtedly be a central question of U.S. foreign policy in the 21st century.

Help, Handout, or Hindrance: U.S. Support for the Developing World introduces students to many of the most important issues on the U.S. policy agenda for the developing world. At the core of the unit is a framework of three distinct options for U.S. policy toward developing countries. By exploring a wide-ranging spectrum of alternatives, students gain a deeper understanding of the values underlying specific policy recommendations. The background reading is intended to prepare students to thoughtfully consider the complexities of U.S. relations toward the developing world. Part I presents an overview of the goals, assumptions, and programs that set the tone of U.S. foreign aid during the Cold War. Part II summarizes the critical issues of U.S. development policy, and Part III examines our country's connections to sub-Saharan Africa, Latin America, and Southeast Asia.

Suggested Five-Day Lesson Plan: The Teacher's Resource Book accompanying *Help, Handout, or Hindrance: U.S. Support for the Developing World* contains a day-by-day lesson plan and student activities. The lesson plan opens with an examination of U.S. foreign aid efforts in Latin America during the 1960s to introduce students to the often contradictory goals of U.S. policy toward the developing world during the Cold War. The second day of the lesson plan allows students to reflect on U.S. development policy from the perspective of the developing world. The third and fourth days feature a simulation in which students assume the role of advocates for the three options. Finally, on the fifth day, students apply their own policy recommendations to specific countries. You may also find the "Alternative Three-Day Lesson Plan" useful.

The lesson plan offered in *Help, Handout, or Hindrance: U.S. Support for the Developing World* is a guide. Many teachers choose to devote additional time to certain activities. We hope that these suggestions help you in tailoring the unit to fit the needs of your classroom.

Integrating This Unit into Your Curriculum

Units produced by the Choices for the 21st Century Education Project are designed to be integrated into a variety of social studies courses. Below are a few ideas about where *Help, Handout, or Hindrance: U.S. Support for the Developing World* might fit into your curriculum.

Area Studies: Since the beginning of the Cold War, American policymakers and scholars have looked at the world as a collection of well-defined geographic regions. Secondary-level social studies textbooks generally share the same conceptual framework, guiding students through units on the Middle East, Latin America, South Asia, and other important regions. *Help, Handout, or Hindrance: U.S. Support for the Developing World* allows students to compare and contrast the regions of the developing world in a new light, while at the same time inviting them to re-examine the conceptual divisions they find in their textbooks. For example, should the boundaries of the Middle East now be extended into Central Asia? Which countries should be included in the developed world? What factors (e.g., religious, economic, geographic, etc.) are most useful in defining the regions of the globe?

The Evolution of the Developing World: The terms "Third World" and "developing world" were first popularized in the 1950s as the divisions of the Cold War deepened and the process of decolonization gained momentum. At the time, optimism ran high that the poor countries of Asia, Africa, and Latin America would be able to make rapid economic progress and contribute to overcoming the climate of international hostility engendered by the superpower conflict. *Help, Handout, or Hindrance: U.S. Support for the Developing World* provides a tool for studying the changing role of the developing world in global affairs since the 1950s. The topic is particularly relevant in an era in which the axis of international relations has swung from East-West to North-South.

The Economics of Development: Since its emergence in the 1950s, the developing world has served as a testing ground for competing theories on economic development. Issues involving trade policy, the economic role of the state, the balance between industry and agriculture, and other areas of controversy have been played out in the economies of Asia, Africa, and Latin America. Until East Asia was struck by financial crisis in 1997, the region's rapidly industrializing economies seemed to offer a model for the developing world. Now, the consensus has again been shattered and the demand for alternatives has grown. *Help, Handout, or Hindrance: U.S. Support for the Developing World* helps students place the debate surrounding the economics of development in a broader context.

International Organizations: The United Nations and other key international organizations have increasingly become a forum for the developing world. UN-sponsored conferences in the 1990s on global environmental problems, population growth, and development have served to highlight the common concerns of developing countries and to raise the profile of their campaign for a greater voice in decision-making within the international community. At the same time, the expanded role of the IMF and the World Bank in promoting economic reform in the developed world has stirred growing resentment within poor nations. With the UN entering its second half century, *Help, Handout, or Hindrance: U.S. Support for the Developing World* affords students an opportunity to consider the future direction of international organizations.

Contradictions of U.S. Aid Policy during the Cold War

Objectives:

Students will:

- Analyze the conflicting goals that shaped U.S. aid policy during the Cold War.
- Evaluate the impact of the Alliance for Progress in Latin America.
- Identify the most significant passages of the speech under consideration.

Required Reading:

Before beginning the unit, students should have read Part I of the background reading (pages 1-9 of the student text) and completed "Study Guide — Part I" (page 4 of the teacher's guide).

Handouts:

- "Formation of the Alliance for Progress" (page 5 of the teacher's guide).
- "Results of the Alliance for Progress in El Salvador" (page 6 of the teacher's guide).

In the Classroom:

1. Establishing the Context — Distribute "Formation of the Alliance for Progress" and "Results of the Alliance for Progress in El Salvador" to each student. Note that the "Formation of the Alliance for Progress" presents excerpts from a 1961 speech by President John Kennedy. (The speech in the Supplementary Document section — pages 31-37 of the student text — was delivered by Kennedy nine days later.) Call on students to find passages in the first part of the background reading that explain U.S. foreign policy strategy at the time the Alliance for Progress was formed. Instruct them to quickly read the speech.

2. Reviewing Kennedy's Speech — Ask students to summarize the main themes of the speech. Why does Kennedy believe that the Americas have reached a crucial historical juncture? What vision of the United States do his words evoke? What dangers are implied? (Explain the references to Cuba and the Dominican Republic.) Which passages capture the idealism of the era? Call on students to identify the main goals, both economic and political, outlined in the speech. How are Latin American countries expected to contribute to a realization of the alliance's goals?

3. Drawing Conclusions — Instruct students to read "Results of the Alliance for Progress in El Salvador." How does the example of El Salvador illustrate the contradictions in the Alliance for Progress' goals? How did U.S. Cold War strategy shape the implementation of American aid programs in the country? Why were the results of the Alliance for Progress in El Salvador considered disappointing? Were the goals presented in Kennedy's speech realistic? Ask students to compare the international environment of the 1960s to that of today. How has U.S. foreign policy in Latin America changed since the end of the Cold War? Are the goals of the Alliance for Progress relevant to today's concerns?

Homework:

Students should read Part II and Part III of the background reading (pages 10-22 of the student text) and complete "Study Guide — Parts II and III" (page 8 of the teacher's guide).

Name:

Study Guide — Part I
The Evolution of U.S. Foreign Aid

1. Why has the end of the Cold War prompted U.S. leaders to rethink our country's foreign aid policy?

2. What factors accounted for the success of the Marshall Plan?

3. How did U.S. Cold War strategy undermine the effectiveness of U.S. aid programs in the Third World?

4. Why did Israel and Egypt emerge as the leading recipients of U.S. foreign aid in the 1970s?

5. Explain the connection between the Arab oil embargo and the Third World debt crisis.

6. How did the economic policies of South Korea, Taiwan, and Chile differ from those of most other developing countries during the Cold War?

7. Why did U.S. efforts to promote development in the Caribbean Basin and Bangladesh spark opposition from American businesses?

Formation of the Alliance for Progress

(Below are excerpts from a speech delivered by President John F. Kennedy to announce the creation of the Alliance for Progress. The speech was given on March 13, 1961, to Latin American officials and members of Congress.)

...The genius of our scientists has given us the tools to bring abundance to our land, strength to our industry, and knowledge to our people. For the first time we have the capacity to strike off the remaining bonds of poverty and ignorance — to free our people for the spiritual and intellectual fulfillment which has always been the goal of our civilization.

Yet at this very moment of maximum opportunity, we confront the same forces which have imperiled America [the Western Hemisphere] throughout its history — the alien forces which once again seek to impose the despotisms of the Old World on the people of the New....

Throughout Latin America, a continent rich in resources and in the spiritual and cultural achievements of its people, millions of men and women suffer the daily degradations of poverty and hunger. They lack decent shelter or protection from disease. Their children are deprived of the education or the jobs which are the gateway to a better life. And each day the problems grow more urgent....

Therefore I have called on all people of the hemisphere to join in a new Alliance for Progress — *Alianza para Progreso* — a vast cooperative effort, unparalleled in magnitude and nobility of purpose, to satisfy the basic needs of the American people for homes, work and land, health and schools — *techo, trabajo y tierra, salud y escuela.*

First, I propose that the American republics begin on a vast new ten-year plan for the Americas, a plan to transform the 1960s into a historic decade of democratic progress....

And if we are successful, if our effort is bold enough and determined enough, then the close of this decade will mark the beginning of a new era in the American experience. The living standards of every American family will be on the rise, basic education will be available to all, hunger will be a forgotten experience, the need for massive outside help will have passed, most nations will have entered a period of self-sustaining growth, and though there will be still much to do, every American republic will be the master of its own revolution and its own hope and progress....

Thus if the countries of Latin America are ready to do their part, and I am sure they are, then I believe the United States, for its part, should help provide resources of a scope and magnitude sufficient to make this bold development plan a success — just as we helped to provide, against equal odds nearly, the resources adequate to help rebuild the economies of Western Europe. For only an effort of towering dimensions can ensure fulfillment of our plan for a decade of progress....

To achieve this goal political freedom must accompany material progress. Our Alliance for Progress is an alliance of free governments, and it must work to eliminate tyranny from a hemisphere in which it has no rightful place. Therefore let us express our special friendship to the people of Cuba and the Dominican Republic, and the hope that they will soon rejoin the society of free men, uniting with us in common effort.

This political freedom must be accompanied by social change. For unless necessary social reforms, including land and tax reform, are freely made — unless we broaden the opportunity for all of our people — unless the great mass of Americans share in increasing prosperity — then our alliance, our revolution, our dream, and our freedom will fail....

Results of the Alliance for Progress in El Salvador

The Alliance for Progress was formed at a crucial moment in U.S. relations with Latin America. In the months leading up to President John F. Kennedy's speech, Fidel Castro had taken his first steps to establishing communism in Cuba, and Soviet leader Nikita Khrushchev had voiced his enthusiasm for spreading communist revolution to other countries in Latin America.

President Kennedy hoped the Alliance for Progress would block the advance of communism in Latin America by raising the level of economic prosperity in the region. Over the next decade, the United States contributed nearly $20 billion to the program.

America's dilemma

From the outset, however, the Alliance for Progress was torn by contradictions. On the one hand, economic development in Latin America required deep-seated political and economic reform. On the other hand, U.S. officials feared that change would threaten stability and open the door to communist revolution. The dilemma facing U.S. policymakers is evident in the alliance's record in El Salvador.

U.S. aid officials recognized that land reform was critical to El Salvador's progress. They also recommended new laws to require the country's upper class to contribute more in taxes. Such measures, however, were fiercely opposed by the handful of families that had dominated El Salvador since Spanish colonial rule. Although they represented less than 1 percent of the population, El Salvador's wealthy elite controlled half the country's farmland.

Economic growth

During the 1960s, the United States supported a conservative dictatorship in El Salvador that upheld the privileges of the wealthy. Alliance for Progress funds were used to develop new export crops, such as sugar and vegetable oil, and expand cattle ranching. El Salvador's coffee industry — by far the country's most important source of exports — was modernized. U.S. aid also helped build new factories to take advantage of El Salvador's abundant supply of cheap labor. The growth rate of El Salvador's economy in the 1960s reached 12 percent a year — one of the highest rates in the world.

Social inequality

Many Salvadorans, however, did not see the benefits of economic growth. While the output of export crops rose in the 1960s, the production of staple foods, such as corn and beans, declined. Efforts to establish a minimum wage of $1 a day failed in the legislature. By 1975, 40 percent of El Salvador's farmers had lost their land.

Hundreds of thousands of Salvadorans moved to the cities in the 1960s. In addition, 10 percent of the population crossed the border into Honduras, sparking a brief war between the two countries in 1969. In response to the fighting, U.S. aid officials devoted new resources to increasing food production. The shift in policy improved the productivity of small farmers, but the gap between the rich and the poor remained enormous.

Disappointing results

The results of the Alliance for Progress' first decade were largely disappointing. U.S. officials were forced to concede that the lives of the great majority of Salvadorans had not improved in the 1960s. Meanwhile, at least one important revolutionary movement had taken root in El Salvador. Many Salvadorans came to believe that change would come only through violence. Within a few years, the country would be caught up in one of Latin America's bloodiest civil wars.

Perspectives from the Developing World

Objectives:

Students will:

- Consider the ramifications of U.S. policy from the perspective of the developing world.
- Assess the problems and challenges facing the developing world.
- Collaborate with classmates to develop persuasive group presentations.

Required Reading:

Students should have read Part II and Part III of the background reading (pages 10-22 of the student text) and completed "Study Guide — Parts II and III" (page 8 of the teacher's guide).

Handouts:

- "Developing World Representatives" for the developing world groups (page 9 of the teacher's guide).
- "U.S. Policymakers" for the U.S. policymakers (page 10 of the teacher's guide).
- "Excerpts from the Press" (pages 11-12 of the teacher's guide).

In the Classroom:

1. Developing World — Form three groups of three to six students. Assign each group one of the three regions featured in Part III of the background reading (sub-Saharan Africa, Latin America, or Southeast Asia). Distribute "Developing World Representatives" and "Excerpts from the Press" to the group members. Instruct the groups to quickly organize their presentations. (See "Developing World Representatives.")

2. U.S. Policymakers — Form groups of three with the remaining students. Explain that the groups will represent a panel of U.S. officials evaluating our country's policy toward the developing world. Distribute "U.S. Policymakers" and "Excerpts from the Press" to the group members. Explain that the students serving as U.S. policymakers should review their handouts, as well as Part III of the background reading, while the developing world groups are preparing their presentations.

3. Clarifying Issues — After the developing world groups have completed their preparations, call on spokespersons from each group to deliver their presentations. Encourage panel members representing U.S. policymakers to ask the spokespersons clarifying questions. Allow the panel members a few minutes to organize their evaluations of the developing world groups. Suggest that they look for areas of consensus among themselves. Call on panel members to share their evaluations before the class.

4. Comparing Concerns — Ask students to compare the recommendations of the developing world groups. For example, how do the development needs of sub-Saharan Africa differ from those of Southeast Asia? How did the developing world groups assess the impact of U.S. policy? How were the viewpoints featured in "Excerpts from the Press" reflected in their presentations? How do differences in values contribute to friction between the United States and the developing world? How do those differences translate into recommendations for U.S. aid and trade policy?

Name:

Study Guide — Parts II and III

Clarifying the U.S. Policy Debate/Focusing on Three Critical Regions

1. How has the financial crisis that began in Southeast Asia challenged the validity of U.S. policy toward the developing world?

2. In your opinion, what accounts for the American public's misperceptions about foreign aid?

3. Summarize the main areas of controversy surrounding U.S. foreign aid policy.

4. How has the end of the Cold War reshaped U.S. foreign aid policy in sub-Saharan Africa?

5. What have been the main obstacles to U.S. drug-control efforts in Latin America?

6. How is the United States connected to the causes and potential solutions of Southeast Asia's economic crisis?

Name:

Day 2

Developing World Representatives

Instructions: Your group has been called upon to represent the views of one of the regions featured in Part III of the background reading (sub-Saharan Africa, Latin America, or Southeast Asia). You will appear before a panel of American officials who are responsible for designing U.S. policy toward your region. Your job is to put forward recommendations on how U.S. policy should be changed. Your presentation should be based on your responses to the questions below. Closely read the article from your region in "Excerpts from the Press" and review Part III of the background reading to help you sharpen your presentation.

1. What are the main obstacles to development facing your region?

2. What problems can the United States help your region overcome?

3. What are your main criticisms of U.S. policy toward your region?

4. What principles should guide U.S. policy toward your region?

5. What specific policy steps should the United States take with respect to your region?

U.S. Policymakers

Instructions: You are part of a panel of American officials that is responsible for designing U.S. policy toward the developing world. You will hear from representatives of the three regions featured in Part III of the background reading (sub-Saharan Africa, Latin America, and Southeast Asia). They will put forward their recommendations for U.S. policy in their respective regions.

After you have heard from the three regions, you will be asked to evaluate their recommendations. You should base your evaluations on the following considerations.

1. Did the group accurately identify the main obstacles to its region's development?

2. Did the group effectively explain how the United States could help the region overcome its problems?

3. Did the group offer thoughtful criticism of U.S. policy toward its region?

4. Did the group convincingly make the case for changes in U.S. policy?

5. What are your main criticisms of the group's recommendations?

While the three developing world groups are organizing their presentations, you should read "Excerpts from the Press" and review Part III of the background reading.

Excerpts from the Press

Instructions: Below are excerpts of recent newspaper articles from sub-Saharan Africa, Latin America, and Southeast Asia. As you will see, each of the articles focuses on a key aspect of U.S. policy toward the developing world. After reading the articles, discuss the "Questions for Consideration" with your fellow group members.

Sub-Saharan Africa

United States and Africa: Mbeki critical of United States' Africa policy

CAPE TOWN, South Africa (Panafrican News Agency) — Visiting U.S. President Bill Clinton has come under fire from South Africa Deputy President Thabo Mbeki for Washington's policy on Africa.

He said in an interview Clinton's "trade not aid" formula is wrong because South Africa needs both. There is a need to ensure that the U.S. does more than simply open up African markets to sophisticated goods from the developed world.

Clinton's new African Growth and Opportunity Act has been widely criticised because of the strict conditions it will impose on African countries while not setting similarly strict rules for American companies which are ready to invest in Africa. [The African Growth and Opportunity Act would give trade preferences to African countries that adopt free-market economic reforms.]

Mbeki said many countries on the continent need investment which will allow their economies to increase their capacity to produce exportable goods rather than just raw materials.

"The (South African) economy today cannot generate the resources that are required to address all these urgent problems of poverty which face us," he said, adding that several poor African countries are not in a position to "enter into an equal bargaining posture."

Clinton discussed the new African Growth and Opportunity Act with senior government officials, including Mbeki and President Nelson Mandela Thursday.

The bill, which has been passed by the U.S. House of Representatives, seeks to open African markets, replace aid with trade and grant better access for African exports.

It also envisages debt relief and the creation of an African infrastructure fund linked to political and market reforms. Clinton arrived in South Africa early Thursday on a four-day state visit. [March 26, 1998]

Latin America

Drugs: U.S Anti-Drug Policy Raises Problems in Latin America

MONTEVIDEO, Uruguay (Inter Press Service) — The anti-drug drive by the United States in Latin America is generating serious internal conflicts in countries south of the U.S. border. At the heart of the problem is Washington's insistence that the military in various nations be involved in operations which have led to a re-positioning of military institutions in the region.

A new book published in Montevideo [*Democracies under Fire: Drugs and Power in Latin America*] argues that democratic systems in Latin America are in danger of being caught in the crossfire between drug traffickers and those involved in the war on drugs....

[The threats] involve the big part played by the illegal drug trade in the economy of many countries, the accompanying corruption and impunity, and the "militarization" being promoted by the United States in the context of the war on drugs....

After analyzing the allegedly bilateral agenda between the United States and Bolivia, Theo Roncken, member of the Bolivia Center for Documentation and Information, concluded that it was, in fact, completely unilateral.

According to Roncken, Washington has imposed on Bolivia not only a repressive anti-narcotics policy, but also the legal framework for the administration of justice in relation to the drug trade in that country. This influence "intensifies the criminalization of broad sectors of the population and international demands have pushed the Bolivian state towards an increasingly authoritarian model," he said.

For his part, Colombian sociologist Ricardo Vargas Meza stated that in his country, the involvement of the military in the war on drugs had acquired a political character, because it set as its targets "those regions with a strong guerrilla presence...."

"As a matter of fact, these interests are helping to polarize the conflict, justifying their actions by claiming to be neutralizing the social base of the guerrilla. Yet it is coca growing peasants who are hardest hit by paramilitary violence," he declared.

"In Colombia, Washington lights one candle for God and another one for the devil," because while the U.S. denounces human rights violations, it increases military aid, accepting the fact that their weapons are not only used against the drug barons, but also against the guerrilla.

"This in fact favors a dirty war in the coca and [opium] poppy-growing regions of the country," Vargas Meza said.

While some of Latin American's armed forces have accepted U.S. demands to become an anti-narcotics force, other have resisted this role in an attempt to defend their sovereignty. This is the case in the four Mercosur [trade pact] countries — Argentina, Brazil, Paraguay and Uruguay.... [June 1, 1998]

Southeast Asia

[Thai Foreign Minister] Surin Calls on US to Take the Lead

WASHINGTON, D.C. (Bangkok Post) — The foreign minister [of Thailand] called on the United States on Monday to take a lead against world economic decline and to help Thailand pull itself out of the downturn.

In an address to 60 American policy-makers and executives, Surin Pitsuwan said the world was looking to America for leadership....

The ills of the international financial system were no longer the problem of one or a group of small emerging countries, said Mr. Surin. "It is a problem of the entire world."

The challenge was "extremely critical" and the "only superpower" should show leadership by taking the initiative to prevent devastation of the global economy....

Mr. Surin said Thailand was going through stringent political and economic reforms. "We are trying to prove to the international system that we are determined to accomplish those requirements that would put Thailand on the same standard as other effective economies," he said....

"You can't let Thailand fail, economically and politically," said Mr. Surin, stressing that such an event would mean the failure of the ideology and philosophy of free trade and democracy. Many countries that saw the failure of Thailand, which had committed itself to economic openness, human rights and democracy, would lack incentives to follow. [September 23, 1998]

Questions for consideration

1. What are the main criticisms of U.S. policy toward the developing world highlighted by the articles?

2. According to the articles, in what respect do the principles guiding U.S. policy toward the developing world clash with beliefs and assumptions in developing countries?

3. In your opinion, how should the views of developing countries influence the direction of U.S. policy?

Role Playing the Three Options: Organization and Preparation

Objectives:

Students will:

- Analyze the issues that frame the current debate on U.S. policy toward the developing world.
- Identify the core underlying values of the options.
- Integrate the arguments and beliefs of the options and the background reading into a persuasive, coherent presentation.
- Work cooperatively within groups to organize effective presentations.

Handouts:

- "Presenting Your Option" (page 14 of the teacher's guide) for option groups.
- "Expressing Key Values" (page 15 of the teacher's guide) for option groups.
- "Input from the Developing World" (page 16 of the teacher's guide) for the developing world group.
- "Committee on Foreign Relations of the U.S. Senate" (page 17 of the teacher's guide) for committee members.

In the Classroom:

1. Planning for Group Work — In order to save time in the classroom, form student groups before beginning Day Three. During the class period of Day Three, students will be preparing for the Day Four simulation. Remind them to incorporate the background reading into the development of their presentations and questions.

2a. Option Groups — Form three groups of four students. Assign an option to each group. Distribute "Presenting Your Option" and "Expressing Key Values" to the three option groups. Inform students that each option group will be called upon in Day Four to present the case for its assigned option to members of the Committee on Foreign Relations of the U.S. Senate. Explain that option groups should follow the instructions in "Presenting Your Option." Note that the option groups should begin by assigning each member a role.

2b. Developing World — Form a group of three students to represent the regions featured in Part III of the background reading. Distribute "Input from the Developing World" to the group. Inform the developing world representatives that they will be called upon in Day Four to explain the relevance of U.S. policy on their regions. Note that the group should follow the instructions in "Input from the Developing World."

2c. Committee Members — The remainder of the class will serve as members of the Committee on Foreign Relations of the U.S. Senate. Distribute "Committee on Foreign Relations of the U.S. Senate" to each committee member. While the option groups are preparing their presentations, committee members should develop cross-examination questions for Day Four. (See "Committee on Foreign Relations of the U.S. Senate.") Remind committee members that they are expected to turn in their questions at the end of the simulation.

Suggestions:

In smaller classes, other teachers or administrators may be invited to serve as members of the committee. In larger classes, additional roles — such as those of newspaper reporter or lobbyist — may be assigned to students.

Extra Challenge:

Ask the option groups to design a poster or a political cartoon illustrating the best case for their options.

Homework:

Students should complete preparations for the simulation.

Presenting Your Option

Preparing Your Presentation

Your Assignment: Your group has been called upon to appear before the Committee on Foreign Relations of the U.S. Senate. Your assignment is to persuade the committee members that your option should be the basis for U.S. policy toward developing countries. You will be judged on how well you present your option.

Organizing Your Group: Each member of your group will take a specific role. Below is a brief explanation of the responsibilities for each role.

1. *Spokesperson:* Your job is to explain the option of your group to the Committee on Foreign Relations in a three-to-five minute presentation. In preparing your presentation, you will receive help from the other members of your group. You should include arguments from their areas of expertise. Keep in mind, though, that you are expected to take the lead in organizing your group. Read your option and review the background reading to build a strong case for your option. The "Expressing Key Values" worksheet will help you organize your thoughts.

2. *AID Analyst:* Your job is to advise the spokesperson of your group on why the recent experience of AID justifies the position of your option. Carefully read your option, and then review Part II of the background reading. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

3. *Adviser on the Developing World:* Your job is to advise the spokesperson of your group on why your option best addresses the foreign policy challenges facing the United States in the developing world. Carefully read your option, and then review Part III of the background reading. Your advise should be based largely on the experience of sub-Saharan Africa, Latin America, and Southeast Asia. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

4. *Historian:* Your job is to advise the spokesperson of your group on how the lessons of U.S. policy toward the developing world during the Cold War justify the position of your option. Carefully read your option, and then review Part I of the background reading. Make sure that your area of expertise is reflected in the presentation of your group spokesperson. The "Expressing Key Values" worksheet will help you organize your thoughts.

Making Your Case

After your preparations are completed, your spokesperson will deliver a three-to-five minute presentation to the Committee on Foreign Relations. The "Expressing Key Values" worksheet and other notes may be used, but the spokesperson should speak clearly and convincingly. During the presentations, you should try to identify the weak points of the other options. After all of the groups have presented their options, members of the Senate committee will ask you cross-examination questions. Any member of your group may respond during the cross-examination period.

Name:

Expressing Key Values

The notion of values lies at the core of this unit. Each of the three options in this unit revolves around a distinct set of values. The opening two paragraphs of your option are devoted to making a convincing case for the values that are represented. The term "values," however, is not easy to define. Most often, we think of values in connection with our personal lives. Our attitudes toward our families, friends, and communities are a reflection of our personal values.

Values play a critical role in our civic life as well. In the United States, our country's political system and foreign policy have been shaped by a wide range of values. The high value many Americans place on freedom, democracy, and individual liberty rings loudly throughout U.S. history. For most of our country's existence, the impulse to spread American values beyond our borders was outweighed by the desire to remain independent of foreign entanglements. Since World War II, however, the United States has played a larger role in world affairs than any other nation. At times, American leaders have emphasized the values of human rights and cooperation. On other occasions, the values of stability and security have been stressed.

Some values fit together well. Others are in conflict. Americans are constantly being forced to choose among competing values in our ongoing debate about foreign policy. Your job is to identify and explain the most important values underlying your option. These values should be clearly expressed by every member of your group. This worksheet will help you organize your thoughts.

1. What are the two most important values underlying your option?

   a.

   b.

2. According to the values of your option, what should be the role of the United States in the world?

3. Why should the values of your option be the guiding force for U.S. policy toward the developing world?

Name:

Input from the Developing World

Your group represents the three regions featured in Part III of the background reading. You have been called upon to explain the impact of U.S. foreign aid programs on your regions to the Committee on Foreign Relations of the U.S. Senate in a five-minute presentation on Day Four. Your job is not to voice your opinion on the three options. Rather, you are expected to inform the committee members about prospects for development in the regions you represent. This worksheet will help you prepare your presentation.

1. What does the Committee on Foreign Relations need to know about the developing world in order to intelligently chart U.S. policy?

2. How does the developing world affect the interests of the United States?

3. What are the lessons from the experiences of your regions that should be considered in charting U.S. policy?

4. What is the present impact of U.S. policy on your regions?

Committee on Foreign Relations of the U.S. Senate
Hearing on U.S. Policy toward the Developing World

Your Role

As a member of the Committee on Foreign Relations of the U.S. Senate, you consider issues relating to our country's foreign policy. As you know, the end of the Cold War has forced U.S. leaders to rethink our country's policies toward the developing world and the recent turmoil in the global economy. These hearings will introduce you to three distinct approaches to U.S. policy toward the developing world.

Your Assignment

While the three option groups are organizing their presentations, you should prepare two questions regarding each of the options. Your teacher will collect these questions at the end of Day Four.

Your questions should be challenging and critical. For example, a good question for Option 1 might be:

> *By trying to spread American values through foreign aid and trade policy, doesn't the United States run the risk of contributing to instability in the developing world?*

On Day Four, the three option groups will present their positions. After their presentations are completed, your teacher will call on you and your fellow committee members to ask questions. The "Evaluation Form" you receive is designed for you to record your impressions of the option groups. Part I should be filled out in class after the option groups make their presentations. Part II should be completed as homework. After this activity is concluded, you may be called upon to explain your evaluation of the option groups.

Role Playing the Three Options: Debate and Discussion

Objectives:

Students will:

- Articulate the leading values that frame the debate on U.S. policy toward the developing world.
- Explore, debate, and evaluate multiple perspectives on U.S. policy toward the developing world.
- Sharpen rhetorical skills through debate and discussion.
- Cooperate with classmates in staging a persuasive presentation.

Handouts:

- "Evaluation Form" (page 19 of the teacher's guide) for the committee members.

In the Classroom:

1. Setting the Stage — Organize the room so that the three option groups face a row of desks reserved for the Committee on Foreign Relations and the developing world group. Distribute "Evaluation Form" to the committee members. Instruct members of the committee to fill out the first part of their "Evaluation Form" during the course of the period. The second part of the worksheet should be completed as homework.

2. Managing the Simulation — Explain that the simulation will begin with three-to-five minute presentations by the spokespersons for the option groups, followed by the presentation of the developing world group. Encourage the spokespersons to speak clearly and convincingly.

3. Guiding Discussion — Following the presentations, invite members of the Committee on Foreign Relations to ask cross-examination questions. Make sure that each committee member has an opportunity to ask at least one question. The questions should be evenly distributed among all three option groups. If time permits, encourage members of the option groups to challenge the positions of the other groups and invite comments from representatives of the developing world. During cross-examination, allow any option group member to respond. (As an alternative approach, permit cross-examination following the presentation of each option.)

Homework:

Students should read each of the three options (pages 24-29 of the student text), then moving beyond these options they should fill out "Focusing Your Thoughts" (page 21 of the teacher's guide) and complete "Your Option Four" (page 22 of the teacher's guide).

Evaluation Form

Committee on Foreign Relations of the U.S. Senate

Part I

What was the most persuasive argument presented in favor of this option?	What was the most persuasive argument presented against this option?
Option 1	*Option 1*
Option 2	*Option 2*
Option 3	*Option 3*

Part II

Which group presented its option most effectively? Explain your answer.

Joining the Debate on U.S. Policy

Objectives:

Students will:

- Articulate coherent recommendations for U.S. policy toward the developing world based on personally held values and historical understanding.
- Apply their policy recommendations to specific developing countries.
- Identify the leading values and trade-offs in the current policy debate.

Handouts:

- "Applying Your Option Four" (pages 23-24 of the teacher's guide).

Required Reading:

Students should have read the three options (pages 24-29 of the student text), and completed "Focusing Your Thoughts" (page 21 of the teacher's guide) and "Your Option Four" (page 22 of the teacher's guide).

In the Classroom:

1. Analyzing Beliefs — Call on members of the Senate committee to share their evaluations of the option groups. Which arguments were most convincing? Which beliefs were most appealing? What were the main concerns addressed by each of the options?

2. Applying Policy Recommendations — Distribute "Applying Your Option Four" to each student. Review the background information for Malawi with the class. Ask students to compare Malawi with other developing nations and invite them to offer their responses to the "Questions for Consideration." Call on students to complete the "Questions for Consideration" for Peru and Indonesia on their own.

3. Comparing Viewpoints — After students have completed the "Questions for Consideration" for each country, invite them to share their responses with the class. Encourage them to clarify the connection between their values and their policy recommendations. What values resonate most strongly among the students? What are the potential trade-offs of their policy recommendations? How did students assess U.S. interests in the three countries featured in the handout? Ask students to compare the recommendations of the class with current U.S. policy toward the developing world.

Suggestion:

Allow students to work in pairs or small groups to develop their responses to "Questions for Consideration."

Extra Challenge:

As homework, instruct students to write a letter to a member of Congress or President Clinton on their ideas for U.S. policy toward the developing world. In the first part of the letter, students should express their views on U.S. interests in the developing world, while in the second part of the letter students should present their own policy recommendations, citing examples for sub-Saharan Africa, Latin America, and Southeast Asia.

Encourage students to explore the local dimension of the debate on U.S. policy toward the developing world. For example, students could be asked to contact local businesses, former Peace Corps volunteers, and charitable organizations that have worked on U.S. foreign aid projects. Business associations and labor unions have voiced their views on U.S. trade policy toward developing countries. Human rights, environmental, and women's groups, ethnic organizations, and friendship societies are also active in the policy arena regarding the developing world. In addition, immigrants, scholars, and students from developing countries may be able to offer special insights on the impact of U.S. foreign aid programs.

Focusing Your Thoughts

Instructions: You have had an opportunity to consider three options for U.S. policy toward the developing world. Now it is your turn to look at each of the options from your own perspective. Try each one on for size. Think about how the options address your concerns and hopes. You will find that each has its own risks and trade-offs, advantages and disadvantages. After you complete this worksheet, you will be asked to develop your own option on this issue.

Ranking the Options

Which of the options below do you prefer? Rank the options from "1" to "3," with "1" being your first choice.

___ **Option 1: Share the American Dream**

___ **Option 2: Join Hands for a Better World**

___ **Option 3: Put America First**

Beliefs

Considering the statements below will help you answer the first three questions of "Your Option Four." Rate each of them according to your personal beliefs:

1 = Strongly Support
2 = Support
3 = Oppose
4 = Strongly Oppose
5 = Undecided

___ Meddling in the development of other societies is counter-productive and dangerous.

___ Changing outmoded traditions and backward customs is in the best interests of people in developing countries.

___ The problems of developing countries are America's problems too, and can be solved only through global cooperation.

___ Economic growth is a worthwhile goal only if it fits into a long-term plan to protect the environment and the larger society.

___ Competition is, and will continue to be, the driving force of international relations.

___ The greatest threats facing the United States are all at home: mediocre schools, crime, and an inadequate health care system.

___ Aid programs rob people of their initiative and chip away at their dignity.

___ Democracy and the free-market economic system should serve as the foundation for all societies.

___ As citizens of the richest country in the world, Americans have an obligation to improve the lives of the world's poor.

Creating Your Own Option

Your next assignment is to create an option that reflects your own beliefs and opinions. You may borrow heavily from one option, or you may combine ideas from two options. Or you may take a new approach altogether. There are, of course, no perfect solutions. And there is no right or wrong answer. Rather, you should strive to craft an option that is logical and persuasive. Be careful of contradictions. For example, we should not channel most of our foreign aid budget into UN programs if we want to use foreign aid as a tool to promote democracy and free-market economic principles.

Name:

Your Option Four

Instructions: In this exercise, you will offer your own recommendations for U.S. policy toward the developing world. Your responses to "Focusing Your Thoughts" should help you identify the guiding values of your proposal.

1. What values should guide U.S. policy toward the developing world?

2. What are the most important obstacles to development in the developing world?

3. What aid, trade, and investment policies should the United States pursue to put your values into action?

4. What are the two strongest arguments opposing your option?

   a.

   b.

5. What are the two strongest arguments supporting your option?

   a.

   b.

Applying Your Option Four

Instructions: Below is background information about developing countries in sub-Saharan Africa, Latin America, and Southeast Asia. Apply the policy recommendations you outlined in "Your Option Four" to each country. The "Questions for Consideration" will help you sharpen your strategy.

Malawi

Overview: Malawi ranks among the world's poorest and least developed countries. The economy is mainly agricultural, with about 90 percent of the population living in the countryside. Only half of Malawi's people have access to safe drinking water and many of the country's children do not have an opportunity to attend school. Nonetheless, recent events have given Malawians cause for hope. Democratic elections in 1994 ended thirty years of dictatorial rule in Malawi and gained the country international respect. Wealthy nations, led by the United States, have taken a new interest in promoting economic development and democracy in Malawi. Malawi's government has responded by pursuing a policy of reform. Particular attention has been paid to boosting the country's agricultural output. The obstacles facing Malawi's farmers, however, are daunting. High population density in the countryside has led to a shortage of good farmland, resulting in deforestation and soil erosion. In addition, the country suffers from one of the highest rates of HIV infection in the world.

Area: 45,743 square miles (slightly smaller than Pennsylvania)
Percentage of arable land: 18%
Population: 9.7 million
Annual population growth rate: 1.57%
Life expectancy: 35 years
Adult literacy: 56%
Per capita GDP: $800 (1996)

Exports: $431 million (1995)
Imports: $348 million (1995)
Main trading partners: South Africa, U.S. Japan, Zimbabwe
Foreign debt: $2.2 billion (1995)
U.S. economic assistance: $36 million (1998)
Total economic assistance: $332 million (1996)
Defense spending: 0.13% of GDP (1996)

Peru

Overview: Peru has undergone a dramatic turn-around this decade. During the 1980s, the country was threatened by radical guerrilla movements, skyrocketing inflation, and crippling foreign debt. Since the election of Alberto Fujimori as president in 1990, Peru has accepted stringent economic reforms recommended by the IMF and the United States. Fresh foreign investment has contributed to an economic upswing. Fujimori has also struck hard against Peru's guerrillas, prompting criticism from the United States. U.S. officials, however, remain eager for Peru's cooperation in curbing drug trafficking. Peru produces a large share of the world's coca leaves (the base for cocaine). Since 1995, U.S.-sponsored drug-control efforts have led to a decrease in coca leaf production. Nonetheless, the poverty that compels many Peruvians to enter the drug trade remains widespread, especially in the countryside.

Area: 496,198 square miles (slightly smaller than Alaska)
Percentage of arable land: 3%
Population: 26 million
Annual population growth rate: 2%
Life expectancy: 70 years
Adult literacy: 89%
Per capita GDP: $3,800 (1996)

Exports: $6 billion (1996)
Imports: $7.5 billion (1996)
Main trading partners: U.S. Japan, Germany, Colombia
Foreign debt: $23.4 billion (1996)
U.S. economic assistance: $95 million (1998)
Total economic assistance: $363 million (1993)
Defense spending: 1.9% of GDP (1996)

Indonesia

Overview: The fourth most populous country in the world, Indonesia experienced economic growth averaging 7 percent annually from 1991 to 1996. The Southeast Asian financial crisis that began in 1997, however, brought Indonesia's economic expansion to a halt and sparked bloody riots. Much of the violence was directed against Indonesia's ethnic Chinese minority, which dominates the country's business. Southeast Asian leaders fear that another round of anti-Chinese violence could trigger an outflow of refugees and provoke China to intervene. In early 1998, Indonesia's dictatorial leader of more than three decades, President Suharto, resigned from office. Nonetheless, Indonesia's economic output is forecast to shrink about 15 percent in 1998. Indonesia has relied most heavily on Japan as a trading partner, investor, and provider of economic assistance. U.S. trade and investment has also played a key role in Indonesia's economic growth. Indonesia's development has been based primarily on the export of manufactured goods produced by low-wage industries. Indonesia's abundant reserves of oil, gas, and other natural resources have helped fuel the country's growth. In the process, the island nation's environment, especially its lush rainforests, has been seriously harmed.

Area: 741,057 square miles (about one-fifth the size of the United States)
Percentage of arable land: 10%
Population: 210 million
Annual population growth rate: 1.51%
Life expectancy: 62 years
Adult literacy: 84%
Per capita GDP: $3,770 (1996)

Exports: $50 billion (1996)
Imports: $43 billion (1996)
Main trading partners: Japan, U.S., Singapore, South Korea
Foreign debt: $110 billion (1996)
U.S. economic assistance: $44 million (1998)
Total economic assistance: $5.5 billion (1997)
Defense spending: 1.3% of GDP (1997)

Questions for consideration

1. Based on the recommendations you outlined in "Your Option Four," what values should guide U.S. policy in each country.

   Malawi:

   Peru:

   Indonesia:

2. Propose specific assistance programs or trade/investment initiatives for each country. To what degree should the United States cooperate with international organizations in pursuing its efforts?

   Malawi:

   Peru:

   Indonesia:

3. Which of the three countries should receive the most assistance from the United States? (Explain the values underlying your recommendation.)

Alternative Three-Day Lesson Plan

Day 1: See Day Two of the Suggested Five-Day Lesson Plan. (Students should have read Part II and Part III of the background reading and completed "Study Guide — Parts II and III" before beginning the unit.)

Day 2: Assign each student one of the three options, and allow a few minutes for students to familiarize themselves with the mindsets of the options. Call on students to evaluate the benefits and trade-offs of their assigned options. How do the options differ in their assumptions about the problems and challenges presented by the developing world? What is the international image of the United States projected by each of the options? What are the main differences in the policy recommendations of the options? Moving beyond the options, ask students to imagine that they have been called upon to advise the president on U.S. policy toward the developing world. What concerns would be at the top of their agendas? Which values should guide the direction of U.S. policy?
Homework: Students should complete "Focusing Your Thoughts" and "Your Option Four."

Day 3: See Day Five of the Suggested Five-Day Lesson Plan.

Making Choices Work in Your Classroom

Like the art of cooking, cooperative group learning is a skill that is rarely perfected on the first attempt, either by teachers or students. Yet with careful preparation, guidance, and practice significant gains can be made quickly. No single recipe guarantees success with cooperative learning or the Choices approach in every classroom. That would be impossible, since each classroom differs in its organization and size, and its unique collection of personalities and needs. However, this section of the Teacher's Resource Book offers a variety of ingredients for teachers to use as they adapt Choices curricula to their classrooms. The suggested ingredients that follow have been drawn from educational research on student-centered instruction and, more important, from the experiences of teachers who have used Choices curricula successfully in their classrooms over the past six years. Educators who have questions about using Choices curricula in their classrooms are encouraged to contact the Choices Education Project in writing, or by calling (401)863-3155. The Choices staff includes experienced classroom teachers who will be pleased to speak with you.

Designing Cooperative Learning Groups

Group Size: The key to successful cooperative group work is having a group assignment that is complex enough to require the participation of all group members. Planning the size and composition of working groups in advance is crucial to the successful use of Choices curricula. Research indicates that the ideal size for a cooperative learning group is four or five students. This is certainly the ideal size for group assignments in Choices units. When using Choices units in larger classes, the size of option (or, in the case of this unit, Future) groups may be expanded to six or seven students. However, it is important to keep in mind that whenever the number of students in a group is increased, the number of roles and expected outcomes must also be expanded.

Group Composition: A strength of cooperative learning is that it creates opportunities for students to work together in new combinations on challenging tasks. Cooperative learning not only requires the academic skills of reading, writing, and critical thinking, but the interpersonal skills of communication, negotiation, and problem-solving. In most cases, this style of instruction and learning is most effective when students are assigned to groups by the teacher rather than being allowed to work with their friends. While random group selection can be effective, in most classes successful group composition requires that the teacher consider the personalities, strengths, and needs of the students.

Groups comprised of students with diverse strengths, talents, and needs are ideal. For example, artistic students might be assigned to different groups to share their talents and perspectives, while less verbal students could be placed in groups with more outgoing students to help draw them into the lesson. Whenever possible, teachers should try to prevent one student from dominating a group. Explaining the instructions, roles, and ground rules for cooperative learning (see below) helps prevent this. Teachers may choose to group aggressive students with each other, leaving room in other groups for less assertive students to emerge as leaders. Finally, even though the negotiation of roles among the students in a group can be a valuable part of the cooperative learning experience, teachers might choose to assign certain roles, such as group spokesperson, in order to encourage leadership from more reticent students and to keep more aggressive students from dominating.

Students may initially complain about being assigned to groups that do not include their closest friends. We have found that, at the conclusion of the assignment, they will usually express satisfaction with their assigned partners, recognize that they got more accomplished, and sometimes even acknowledge the start of new friendships. The additional time involved in planning group size and composition will pay off when students are actively engaged, debating, and thinking critically.

Preparing Students for Cooperative Learning

Provide Clear Written Instructions: As with any assignment, students benefit from instructions and guidelines that clearly outline expectations and how they will be accomplished. These should be given to students in writing and reviewed with the class. Afterwards, as questions arise within groups, students should refer to the written instructions and attempt to answer each other's questions before asking for the teacher's assistance.

Establish Ground Rules: Especially when cooperative learning is a new experience, students benefit from the establishment of ground rules that are explained before groups are formed. Ground rules must be kept simple, and should be designed to keep students involved and on task. Posting these rules in a prominent place in the classroom can be very effective. An example of simple but effective ground rules for the cooperative group assignments could be:

Everybody has a role (or a job)
Everybody participates
Nobody dominates
Nobody interrupts

These rules can be enforced by appointing one student to serve as the group manager. The teacher can make it clear that one of the group manager's responsibilities is to enforce the ground rules as the group explores its assigned option and prepares its presentation. The group manager might also be required to make sure that members of the group stay on task and attempt to solve problems before asking for the teacher's assistance. Ground rules that are clear and used consistently can, over time, become an integral component of the classroom, facilitating learning and keeping students on task.

Managing the Choices Simulation

Recognize Time Limitations: At the heart of the Choices approach is the role-play simulation in which students advocate different options, question each other, and debate. Just as thoughtful preparation is necessary to set the stage for cooperative group learning, careful planning for the presentations and debate can increase the effectiveness of the simulation. Time is the essential ingredient to keep in mind. A minimum of 45 to 50 minutes is necessary for the presentations and debate. Hence, if only one class period is available, student groups must be ready as soon as class begins. Teachers who have been able to schedule a double period or extend the length of class to one hour report that the extra time is beneficial. When necessary, the role-play simulation can be run over two days, but this disrupts the momentum of the debate. The best strategy for managing the role-play is to establish and enforce strict time limits, such as five minutes for each option presentation, ten minutes for questions and challenges, and the final five minutes of class for wrapping up the debate. It is crucial to make students aware of strict time limits as they prepare their presentations.

Highlight the Importance of Values: During the debate and debriefing, it is important to highlight the role of values in the options. Students should be instructed to identify the core values and priorities underlying the different options.

Moving Beyond the Options

As a culminating activity of a Choices unit, students are expected to articulate their own views of the issue under consideration. An effective way to move beyond the options debate to creating individual options is to have students consider which values in the options framework they hold most dear. Typically, students will hold several of these values simultaneously and will need to prioritize them to reach a considered judgment about the issue at hand. These values should be reflected in their own options and should shape the goals and policies they advocate.

Adjusting for Large and Small Classes

Choices units are designed for an average class of twenty-five students. In larger classes, additional roles, such as those of newspaper reporter or member of a special interest group, can be assigned to increase student participation in the simulation. With larger option groups, additional tasks might be to create a poster, political cartoon, or public service announcement that represents the viewpoint of an option. In smaller classes, the teacher can serve as the moderator of the debate, and administrators, parents, or faculty can be invited to play the roles of congressional leaders. Another alternative is to combine two small classes.

Applying Choices to Ability-Grouped Classes

Choices curricula are developed with the majority of high school students in mind. Choices units are not designed solely for students in honors or advanced placement programs. Nor are they designed specifically for students in remedial classes. However, the units are designed to be flexible enough for high school teachers to adapt for *any* classroom, and they have been used successfully in all kinds of classes. The Choices staff places confidence in the ability of teachers to decide which units are best suited for the courses and students they teach. The following suggestions may assist teachers of higher- and lower-ability classes in adapting Choices curricula to meet the needs of their students.

Lower-Ability Classes: It would be a mistake to believe that the Choices approach is too difficult for students in lower-ability classes. Teachers report that, with certain adaptations, Choices units can motivate higher levels of student participation, thinking, and confidence in lower-ability classes. Feedback from classroom teachers indicates that the following strategies lead to success with Choices in these classes:

- Maintain high expectations for student learning and thinking.
- Classes of all abilities do a better job with Choices the second or third time the approach is used. Skills in collaboration, communication, and critical thinking improve with practice.
- Some units are easier than others because the necessary background is particularly accessible. Use one of these first to give the students some experience with the approach.
- To make background readings more manageable, some teachers have students read aloud in class, stopping to discuss or clarify key points. Other teachers substitute shorter readings from the textbook or another source as background reading.
- Key concepts from the background can be explained in a mini-lecture format.
- Students can review and keep track of the important terms in a unit by creating their own glossary for reference throughout the unit.
- An extra day for review of the background, for group preparation, or for the development of individual options can be very worthwhile.

Higher-Ability Classes: Choices units have much to offer students in higher-ability and advanced placement classes. Students are challenged to understand the internal logic of different arguments and to extrapolate from these while playing the role of advocate. Two-week Choices units are especially rich in historical background, and they highlight the complex relationships among nations through many eras. Choices units on historical topics typically include a wealth of primary source documents for students to read and analyze. These documents can help to prepare students in advanced placement classes for the "Document Based Questions" included on advanced placement examinations. Extra challenge assignments are included in many lesson plans, and every Choices unit includes suggestions for additional reading and research.

Assessing Student Achievement

Grading Group Assignments: Research suggests that it is counterproductive to give students individual grades on cooperative group assignments. A significant part of the assignment given to the group is to cooperate in achieving a common goal, as opposed to looking out for individual interests. Telling students in advance that the group will receive one grade often motivates group members to hold each other accountable. This can foster group cohesion and lead to better group results. It may be useful to note that in addition to the cooperative group assignments, students complete individual assignments as well in every Choices unit.

Requiring Self-Evaluation: Having students complete self-evaluations is an extremely effective way to make them think about their own learning. Self-evaluations can take many forms and are useful in a variety of circumstances. They are particularly helpful in getting students to think constructively about group collaboration. In developing a self-evaluation tool for students, teachers need to pose clear and direct questions to students. A sample Group Project Self-Evaluation is included on the following page. Each student should complete his/her own evaluation as part of the unit. Two key benefits of student self-evaluation are that it involves students in the assessment process, and that it provides teachers with valuable insights into the contributions of individual students and the dynamics of different groups. These insights can help teachers to organize groups for future cooperative assignments.

Evaluating Student Options: The most important outcomes of a Choices unit are the original options developed and articulated by each student. These will differ significantly from one another, as students identify different values and priorities that shape their viewpoints. These options cannot be graded as right or wrong, but should be evaluated on clarity of expression, logic, and thoroughness. Did the student provide reasons for his/her viewpoint along with supporting evidence? Were the values clear and consistent throughout the option? Did the student identify the risks involved? Did the student present his/her option in a convincing manner?

Testing: In a formal evaluation of the Choices approach, it was demonstrated that students using Choices learned the factual information presented as well as or better than students who were taught in a more traditional lecture-discussion format. However, the larger benefits of the Choices approach were evident when students using Choices demonstrated significantly higher ability to think critically, analyze multiple perspectives, and articulate original viewpoints, compared to students who did not use this approach. Teachers should hold students accountable for learning historical information, concepts, and current events presented in Choices units. However, a simple multiple-choice examination will not allow students to demonstrate the critical thinking and communication skills developed through the Choices unit. If teachers choose to test students, they may wish to explore new models of test design that require students to do more than recognize correct answers. Tests should not replace the development of student options.

For Further Reading: Cohen, Elizabeth G. *Designing Groupwork: Strategies for the Heterogeneous Classroom* (New York: Teachers College Press, 1986).

Group Project Self-Evaluation

1. What did you contribute to this project?

2. List the names of your partners and briefly comment on each person's contributions.

3. What things went well within your group?

4. What problems did you encounter? How did you attempt to resolve these problems?

5. If you had this assignment to do over again, with the same partners, what would you do differently?

6. Overall, what grade do you think your group deserves on this assignment? Explain your response.

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